

## Fears for Schools Council

Fears have greatly increased for the future of the Schools Council after an extremely critical account of the council and its activities. The account, given in "Confidential" oral evidence by Department of Education and Science officials to the Trevelyan committee of inquiry, has been described as dynamite by one council member. Mrs Nancy Trevelyan, principal of St Anne's College, Oxford, who carried out the inquiry for the Government, considered that radical changes proposed by the DES amounted to closure of the present council.

## War on Want rebuked

War on Want has been rebuked by Mr. Terence FitzGerald, the Chief Charity Commissioner, for reckless and harmful activities that threatened the general image of all charities. Mr. FitzGerald's outspoken rebuke was made in a letter to Mr. John Lee, Conservative MP for Nelson and Colne, after a complaint about the charity's campaign on unemployment in the United Kingdom. Mr. Lee objected to the campaign emphasizing Labour Party support. Page 6

## Trudeau victory on constitution

The Canadian House of Commons voted overwhelmingly in favour of a Government measure to patriate Canada's constitution from Britain. With Quebec the only province to oppose the formula, Canadians expect to have their constitution home early in the new year. Page 7

## Cuba accused of spying

In a confidential report circulated to its allies, the United States has accused Cuba of spying, attempting to control the Nicaraguan revolution and to induce the violent overthrow of the Guatemalan and El Salvador Governments and of interfering in the affairs of Colombia, Jamaica, Costa Rica and the Dominican Republic. Page 8

## Heath returns to the attack

Calling for a united action to establish the international monetary system, Mr. Edward Heath, the former Conservative Prime Minister, said yesterday that monetarism no longer had any intellectual justification, if it ever did. Page 2

## Opus Dei gets guidelines

Opus Dei, the Roman Catholic lay organization that has been criticized for, among other things, occasionally causing a split between parents and children, has been given four principles by Cardinal James, the Archbishop of Westminster. Back page

## Author who exposed spies

Nigel West, the author, is behind the current spate of spy revelations. He said he gave The Sunday Times the names of Leo Long and Edward Scott because he was interested in establishing the truth. He denied that he was part of a witch-hunt. Back page

## Oil strike off

The threat of a strike by tanker drivers disappeared after almost 4,000 workers from three of the main oil companies rejected shop stewards' recommendations to take industrial action and accepted 8.1 per cent pay offers. Page 2

## Steel loss cut

British Steel Corporation cut its losses to £166m in the first six months of this financial year, compared with a loss of £666m in the whole of last year. Page 15

## 730,000 gns sale

A broad mare, Greenland Park, fetched an English record price of 730,000 guineas at the Tattersalls December Sales at Newmarket. Page 20

## Leader, page 13

Letters: On public expenditure, from Mr. Edward D. Cann and Mr. Joel Barnett, and Lord Kildare; children at risk, from Mr. Stephen Briggs; treasure trove, from Mr. Charles Sparrow, QC. Leading articles: Howe's mini budget; Mitterrand in Algeria; Central America.

Obituary, page 14. Professor T. H. Marshall, Andrews Pagnani, Mr. Eugene Wasco.

Home News	2-6	Largo Carrion's	9
Overseas	7-9	Parliament	4
Arts	10	Sale Room	10
Books	11	Science	10-11
Business	15-19	TV & Radio	25
Court	14	Theatre, etc.	25
Crossword	26	Yrs Ago	14
Diary	12	Weather	14
Events	26	Wills	14
Law Report	6		

# Howe fails to satisfy Tories who want stimulus to economy

By Julian Haviland, Anthony Baving and David Blake

Sir Geoffrey Howe's economic statement to Parliament yesterday, in which he announced a net increase of some £5,000m in planned public expenditure for next year, left the growing number of Conservative MPs who want some stimulus to the economy deeply dissatisfied, and the Opposition derisive.

Conservative backbenchers emerged unconvinced last night from a private meeting in which the Chancellor used his familiar arguments about the need to make industry competitive. There were more critical than supportive comments, and he was said to have been heard for the most part in weariness.

Sir Geoffrey said in his announcement that the increase of £5,000m would be about the same as this year's "in cost terms". The Chancellor, who forecast a final figure for industry in the current year of about 12 per cent, and a reduction to about 10 per cent in 1982, confirmed that the level of spending in 1982-83, which last March was placed at £110,000m in cash, would be allowed to rise to about £115,000m net.

Employees' national insurance contributions will rise by 1 per cent from April, Sir Geoffrey said. Increases in programmes of about £5,000m would include a £1,300m rise in the external financing of the nationalised industries and £1,300m in the new housing programme rather more than the House had expected for increased local authority expenditure. But this would be offset, he said, by about £1,000m in programme cuts, of which half is coming from a general cut of some 2-3 per cent, and, in some cases, much more, in almost all cash-limited expenditure.

As expected, the Chancellor announced that all social security benefits would be uprated next year by the amount of inflation. But only long-term benefits, including retirement pensions, will be increased by the two pence in the pound by which they will fall short of inflation this year. "I am not sure," he said, "that all parts of the House. Sir Geoffrey's argument is that since living standards for those in work are falling, it is realistic to think that short-term benefits—unemployment sickness, injury and maternity benefits—should not be raised this year by the full amount. His critics in the party say that the resultant saving of about £180m is simply not worth the likely cost in political popularity.

Health service charges are to go up by more than the rate of inflation; prescription charges will rise by as much as 30 pence from April. This will yield £40m a year, and help ensure a real increase in resources for the health service.

Sir Geoffrey pointed out that the pattern of exemptions, which will be changed, means that two out of every three prescriptions will continue to be provided free.

Students' living standards will fall since their grants will be raised by only 4 per cent, the same rate as the Government is allowing for pay rises in the public service. The angriest Opposition shouts greeted the announcement that the rate support grant for England will be reduced next year by 56 per cent, with the levels in Scotland and Wales being similarly scaled down.

The Chancellor refused to accept from Mr. Peter Shore,

## The main points

**Insurance:** National insurance contributions paid by employees go up 1 per cent to 8.75 per cent from April. Those earning average wage of £150 a week will pay £13.12, an extra £1.50 a week. Upper earnings limit (raised to £220 a week) means weekly payments of £19.25 a week, increase of £3.75. Employers' rate unchanged.

**Prescriptions:** Up 30p to £1.38 from April.

**Rates and rents:** Average household increase next year likely to be about 15 per cent as rate support grant in England is reduced. Average council rents up by about £2.50 a week.

**Spectacles, teeth:** Charges for routine dental treatment up from £9 maximum to £13; cost of NHS spectacles up from £8.30 to £15 per lens.

**Defence:** An extra £480 million allocated.

**Employment:** Extra £800m goes to the existing £2,000m programme.

**Borrowing:** Nationalised industries new borrowing held to £1,300m—about half of what was requested.

**Pensions:** To be fully uprated by 4 per cent. No allowance for inflation made in either minimum grant or parental contributions.

**Grants:** Student grants up by 4 per cent. No allowance for inflation made in either minimum grant or parental contributions.

**ON OTHER PAGES**

**Parliamentary report** 4

**Analysis and reaction** 5

**Leading article** 13

**Business News** 15-16

**Frank Johnson** 26



There was talk last night of a meeting early next week to consider action to be taken by rebel backbenchers against the package. Britain's economy will grow but next year, the first time it has expanded since the Government took office. But Treasury forecasts yesterday estimating this showed that inflation will stay firmly in the figures throughout 1982, and unemployment will average 2,900,000 among adults in the 1982-83 fiscal year. If school leavers are added, the total goes up to well above three million, though the Chancellor expects some reduction before the end of 1982.

Other main points are that the Treasury forecast is that the United Kingdom will have a balance of payments surplus next year, £3bn; after £80m surplus this year. The Chancellor's failure to announce any new spending on employment measures, although expected, led to disappointment in trade union circles last night. (David Nicholson-Lord writes: "The £780m 'addition' to next year's planned £2bn employment spending has already been accounted for, mostly by spending on special employment measures, particularly the youth opportunities programme, as announced by the Prime Minister in July.")

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ministerial colleagues would consider local authorities on the assumption that council rents would rise by an average of £2.50 a week. When there were protests at this figure, he recalled that almost half council tenants received help with rents.

The Chancellor told the House that he expected output to rise next year by about 1 per cent, and "manufacturing output" rather more rapidly. The outlook was for gradual recovery.

This prognosis raised hollow laughter from the Labour benches and when Sir Geoffrey finished, Mr. Shore was severe. The Chancellor was the principal gravedigger for the British economy, and the whole ghastly experiment of his monetary policies had been a disastrous failure.

Conservative backbenchers were last night considering revolt against two separate aspects of the Chancellor's statement on a 2 per cent cut in supplementary benefit and on the cut in rate support grant. One senior backbencher described the overall mood of the party as one of deep anxiety.

In the chamber, the anxieties of Conservative backbenchers were plain from their questions, most of which the Chancellor either could not or would not answer.

Mr. Edward de Cann, chairman of the Conservative backbenchers and also of the Treasury and Civil Service Select Committee, invited Sir Geoffrey to put the Government's resources behind privately-financed public works to bring some hope to our people. Mr. de Cann suggested the Severn Barrage and Channel link proposals.

Sir Ian Gilmour, a severe critic of the former colleague, asked what effect the proposed changes would have on the Tax and Prites Index. He was not told.

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The mark of tragedy 3,000ft up on Mont St. Pietro

Soldiers from the French Foreign Legion and the police yesterday recovered the black box, and some of the victims, from the chartered Yugo-slay DC9, which crashed on Mont St. Pietro seven minutes before it was due to land at Ajaccio, Corsica. The

small piece of fuselage wedged on a ridge at 3,000 ft (above) is one of the few recognizable pieces of the airliner which hit the mountain killing all 168 passengers and a crew of six. Yugoslav and French investigators are at work. Newspapers in

Yugoslavia, including the official agency Tanjug, are blaming unspecified airport equipment as being not the most up to date for the whims of the climate. The Yugoslav Government has proclaimed Friday as a day of national mourning.

## Warsaw strike alert after raid on cadets

From Roger Boyes, Warsaw, Dec 2

Poland appeared today to be heading for a fresh round of potentially explosive confrontation between the Government and Solidarity, the independent trade union.

Mr. Lech Walesa, the leader of Solidarity, today put the 500,000 members of the union's Warsaw branch on strike alert after police had stormed into a firemen's academy here to end a cadet sit-in.

The police action will almost certainly set back attempts to forge a coalition-style Government of National Understanding.

The union's national executive met late tonight to discuss whether further measures—such as broadening the strike threat on to a national level—should be taken.

Some 1,000 police had cordoned off the academy since the weekend, initially to stave off the occupation of the building by Solidarity activists.

The police action seems to have come to the conclusion that it is more important to hold firm in certain key ideological areas—maintaining party committees in factories, ensuring that the party secures powerful jobs in universities and elsewhere—than to strike conciliatory postures in order to win Solidarity over to the coalition Government.

According to one party ideologue, the logic underpinning this is that the hardships in the coming winter will force Solidarity into an accommodation position in any case.

However, the immediate effect of the police action has been to bring Solidarity and student demonstrators closer together.

and allow the college to benefit from a new higher education Bill being considered by the Polish Parliament. The Bill is designed to democratise Poland's higher education system and provide, among others, for the free election of college rectors. About 70 colleges throughout Poland are seeking similar reforms.

But the cadets' protest appears to have pushed the Communist Party too far. The Government appears, in making the move to have called that Solidarity would not react excessively to the police action.

Mr. Stefan Olszowski, generally regarded as a hard-line member of the party's Politburo, told a high-ranking Western visitor last night that he was confident that the Front of National Understanding could be brought about over the next few weeks. But in the light of Solidarity's comments—even before the police raid—this seems optimistic.

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## Whitelaw announces jails crisis package

By Peter Evans, Home Affairs Correspondent

As prison officers at Strangeways jail, Manchester, took industrial action yesterday in protest at overcrowding, Mr. William Whitelaw, the Home Secretary, announced he had been given more money to deal with the prison crisis.

In 1982-83, £140m more will be available for the prison system, which was estimated in the public expenditure White Paper.

Earlier, prison governors through their union told Mr. Whitelaw that squalor and human degradation in Britain's prisons were fuelling immediate discontent and threatening the breakdown of the penal system.

Mr. Whitelaw's response to the growing alarm also includes greater emphasis than hitherto on parliamentary powers for emergency action.

The Criminal Justice Bill to be published today will include permanent provisions similar to those in the temporary legislation introduced to meet last year's prison emergency after industrial action by prison officers.

Under those powers, the Home Secretary would have to lay an Order before Parliament which would, subject to an affirmative resolution, directly cut the prison population.

The Order would have to specify the categories of offender to be released up to six months before their normal remission date.

Powers for courts to suspend part of a prison sentence are in Section 47 of the Criminal Law Act 1977, which Mr. Whitelaw intends to bring into operation in the spring. The Criminal Justice Bill will make the powers more flexible.

Mr. Whitelaw acknowledged that conditions in some prisons were unacceptable and announced plans for two more prisons at Bovingdon, Ilkley, and Lockwood in Oxfordshire. He said that during the 1980s major reconstruction projects were being planned at over 60 establishments.

There is now provision for about 150 more probation officers in 1982-83 than now. The governors have told Mr. Whitelaw the prison population should be reduced to 32,000.

Parliamentary report, page 4

Parliamentary report, page 4

Parliamentary report, page 4

Parliamentary report, page 4

Parliamentary report, page 4

Parliamentary report, page 4

Parliamentary report, page 4

## Children die as money runs out

By Annabel Ferriman, Health Services Correspondent

Ninety-seven children have died since first bone marrow transplants at the Westminster Hospital, London, because the hospital cannot afford to carry out more than 25 a year.

Some 400 leukaemia patients in Britain are also being denied bone marrow transplants because the transplant programme at the Royal Free Hospital, in north London, is also limited to 25 a year. A purpose-built ward, specially designed for transplant patients, has been empty since the hospital opened in 1974, because of lack of funds.

Both hospitals have appealed to the regional health authorities for extra financial help but have been told the authorities cannot afford to increase their support.

A bone marrow transplant is a relatively simple operation, where a quantity of marrow is taken from the pelvic bone of the donor and given, by means of a transfusion, to the recipient. The cells find their own way to the recipient's bone marrow and multiply there.

It increases the chances of survival for people with acute myeloid leukaemia five fold but it is being used at the Westminster Hospital for babies born with serious disorders of the metabolism and has proved almost 100 per cent successful.



One baby who was lucky. Six out of seven are left to die.

Professor John Hobbs, who is carrying out the programme at the Westminster, said yesterday that out of 26 transplants performed, 25 of the children had survived.

Most of the children have a disorder known as "glycogen storage disease" in which a vital enzyme is missing from the body's cells. It metabolises a mucoid substance. Without the enzyme, the mucoid substance builds up, leading to an enlarged liver and spleen, crippled

joints, impaired vision and brain damage.

If a bone marrow transplant is carried out before the child is one year old, the new bone marrow produces the necessary enzymes and virtually all these symptoms are avoided.

Professor Hobbs said yesterday: "It has been a terrible time to watch children die, inch by inch, of an incurable disease."

"It is even more terrible to watch the same children die knowing that with an extra little bit of finance you could probably save them. We have had 57 children die on our waiting list in the last five years, all of whom could have been saved."

"Each week we have to make the heart-breaking decision of which children we will transplant and which we will not. Yesterday I had to pick out of seven children with glycogen storage disease the one to transplant in January. The rest are left to die because there is no treatment."

His department has an existing budget of £180,000 a year, £46,000 of which is raised from charity. It applies him to carry out about 25 transplants a year, each of which costs about £7,000.

Professor Hobbs is looking for another £114,000 to increase his programme to 40 transplants a year.

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## NEWS IN SUMMARY

## Police face riot death charges

Two policemen are to face manslaughter charges in connection with the death of a disabled man during the riots in the Toxteth area of Liverpool, it was announced yesterday.

The Director of Public Prosecutions made the recommendation after studying a report on the death of Mr David Moore, aged 22.

A spokesman at Merseyside police headquarters said: "Two officers are to be charged with manslaughter in connection with this incident."

Mr Moore, of Ayrondale Road, Wavertree, Liverpool, was involved in an accident with a police Land-Rover during the rioting early on July 29.

## Butler and wife 'cannot get jobs'

A butler told an industrial tribunal yesterday that he had been rejected for 10 jobs since being unfairly dismissed by the Marchioness of Dufferin and Ava.

The tribunal, at Ashford, Kent, has already ruled that Mr David Chopping and his wife, a housekeeper, of Borough Green, Kent, were unfairly dismissed from the Dowager Marchioness's estate at The Owl House, Lambhurst, in October last year.

Yesterday's hearing, which continues today, was to assess compensation.

## Court order to hold children

The High Court in Leeds yesterday issued an order to keep in England Jessica and Jason Riley, aged 16 months and two months respectively, after the children's grandparents, Mr and Mrs Terence McArdle, of Morley, near Leeds, said they feared that they may be bound for the religious sect that preaches prostitution and child sex.

The couple's daughter and son-in-law, Mr and Mrs Jay Riley, who were said to be members of the Family of Love, vanished from their home in Wakefield last Friday.

## Child's damages cut

A £111,500 damages award to Sarah Wallace, aged nine, of Manor Farm, Heacham, Norfolk, who suffered leg deformities as a baby because of a medical blunder, was cut to £51,300 in the Court of Appeal yesterday. Her parents consented to the reduction.

## Typists' strike goes on

Talks aimed at ending the six-months strike of 350 Liverpool Corporation typists, secretaries and machine operators broke down last night over the National and Local Government Association's right to discipline strike-breakers.

## Prisoner found dead

Neville Menear, aged 24, serving three years for grievous bodily harm and theft imposed at Bodmin Crown Court in 1979, has been found hanged in his cell at Exeter Prison.

## Jailhouse rock

A rock band made up of three prisoners and a senior officer from Ford Open Prison near Arundel, Sussex, has made a record in aid of children's charities.

## DES critics put Schools Council future in doubt

By Diana Geddes, Education Correspondent

An extremely critical account of the Schools Council and its activities, given in confidential oral evidence by Department of Education and Science (DES) officials to the Treasury committee of inquiry, has greatly increased fears for the council's future, now under review by the Government.

One council member described the account a transcript of which has come into the possession of *The Times*, as "dynamite".

Mrs Nancy Trenaman, Principal of St Anne's College, Oxford, who carried out the inquiry into the Schools Council for the Government, told the DES officials that the changes they were proposing amounted to closure of the council and the creation of a quite different body.

In her report, which ministers are considering, she criticised the council for being too political, overstretched and not as effective as it might be, but recommended that it continue with its present functions of dealing with curriculum development and examinations with only minor changes in its structure.

The DES team, led by Mr Walter Ulrich, Deputy Secretary in charge of the schools branch, were far more damning in their criticism. Mr Ulrich was particularly scathing about the council's staff and secretary. The council required a competent, loyal and submissive staff, he said, but now there seemed to be a serious danger of disorder through lack of control.

That had been averted largely because of the effectiveness of the council's chairman, Mr John Tomlinson, who leaves the post at the end of the year. The management and organisation of the council did not enable it to fulfil its functions properly, Mr Ulrich said. The most serious weakness was the absence of a single body which could be held accountable for

the stewardship of public funds. The council's budget this year is £3m, half of which comes from the Government and half from local authorities.

A further serious weakness lay in the principle that members of the council's three main committees should represent specific interest groups, he said. These deficiencies were most noticeable in the representation of teachers.

The council had had great difficulties in identifying and applying priorities to make the best use of resources. The professional committees, which were dominated by teachers, could, and did, frustrate proper consideration of priorities.

Convocation, the council's "parliament", representing a cross-section of educational interests, should be abolished, Mr Ulrich suggested. There was no need for such a body; its size and public nature afforded little opportunity for useful debate.

The DES did not consider that the reconstitution of the council three years ago had made much change. The new programmes did not seem to amount to much more than an aggregation of minor projects.

Officials doubted the value of some of those very small curriculum development projects, and also the adequacy of arrangements for evaluating their effectiveness.

There was a need for an independent central body, similar to the research councils, to identify gaps in curriculum development work, he suggested. Such a body had to be good at assessing what was going on, quick and effective in repairing deficiencies, and, above all, self-critical.

The DES would like to see new, reformed, Schools Council with a hierarchical committee structure, headed by a council nominated by the Secretary of State in association with the local authorities, he said.

## Ford strike threat after pay talks break down

By Our Labour Reporter

Union leaders representing 54,000 manual workers at Ford last night threatened an all-out strike in the new year after talks with the management broke down when the company refused to improve its final 7.4 per cent pay offer.

The unions are to hold meetings of joint works committees from Ford's 24 plants next Tuesday, and on Wednesday mass meetings will be held to decide whether to support their negotiators' rejection of the offer which is linked to the introduction of a 39-hour week from January, 1983.

Union negotiators emerged from five hours of talks with the company saying the decision to recommend a strike had been taken reluctantly but they believed there was no alternative because the company did not have the welfare of the workforce at heart.

"I believe our workforce will decide to support the rejection and, although people may be very unhappy and reluctant, they will see that we have no other course open to us," said Mr Ronald Todd, national officer of the IGWU and the chief union negotiator at Ford.

Mr Paul Roots, Ford's employee relations director, said: "I find it very difficult to believe that our employees will reject 7.4 per cent in this climate."

The main sticking point in the negotiations was the company's insurance on improved efficiency measures which Ford claims would have been "nullified" by company proposals put by the unions.

Mr Roots was sceptical about the union offer of a national panel of full-time officials to which efficiency problems could be referred from joint works councils in the plants.

Under the offer, weekly basic pay, including attendance supplement, would rise from £27.50 to £27.90, £27.90 to £28.04, £28.04 to £28.18, £28.18 to £28.32, £28.32 to £28.46, £28.46 to £28.60, £28.60 to £28.74, £28.74 to £28.88, £28.88 to £29.02, £29.02 to £29.16, £29.16 to £29.30, £29.30 to £29.44, £29.44 to £29.58, £29.58 to £29.72, £29.72 to £29.86, £29.86 to £30.00.

Peace talks to try to end the "tea-break" strike at BL's Longbridge car plant got under way last night when the management responded to a union request for a meeting to explore the company's latest offer. Clifford Webb writes from Birmingham.

## Heath scorns the 'pretence' of monetarism

By George Clark

Calling again on the world's leaders to take united action to bring stability to the international monetary system, Mr Edward Heath, the former Conservative Prime Minister, told an audience of MPs and journalists at a Parliamentary Press Gallery lunch yesterday that monetarism, as they had come to know it over the past two or three years, no longer had any intellectual justification, if it ever did.

"It has lost any pretence of having the principles which it started," he said. "When one has principal economic advantage of the Atlantic publicly confessing within a week of each other that they are now proved to be wrong, it is difficult for me to deny them the pleasure of saying so."

Those who wish to maintain the status quo, he said, should be content with the Bretton Woods agreement, the International Monetary Fund, the World Bank, the General Agreement on Tariffs and Trade and the Marshall Plan to restore stability after the war, he contrasted the speed of events then with the "par-

alysis" which had struck the leaders of the Western world in recent times.

People who had followed in that tradition of cooperation and consultation had now left the scene and the continuity which had begun in 1941 had been broken.

Men with little experience of international affairs had taken over. "Indeed, on the other side of the Atlantic, there are those who are proud of the fact that they have shattered the continuity," Mr Heath said.

"This, I believe, is the real danger which confronts us."

"We have to start again and recover the position," he said. "We have not got the pressure of the tremendous experience of the war to stimulate the kind of efforts made in 1945 to 46 so we have to start regionally."

The priority was to get monetary stability so that the economy could recover and businessmen could have some certainty about their future. The only way in Europe, he said, was through the European Monetary System (EMS).

"What worries me is that many of the lessons we learnt so painfully in the past are being overlooked today," he said. Britain missed the opportunity of going into the EMS when the pound was rising and when it reached \$2.40, the effect was enormously damaging; then it went back and it was now at \$1.95 and still rising. The only way to ensure currency stability was by going into EMS at the time which suited our exporters and which did not put undue pressure on industries, he said.

High interest rates were the cause of the Western world, and Britain was being dragged along behind the high American rates.

Mr Heath flatly contradicted Mr Margaret Thatcher, the Prime Minister, who has said Britain is past the rough of the recession. "I do not believe the end of the recession is in sight," he said. "I think it is being reinforced by the patterns being produced by the Americans and I do not think that Europe can escape the impact of that."

George Crane

## Tanker men reject strike call

By David Felton, Labour Reporter

The threat of a tanker drivers' strike was lifted last night when almost 4,000 workers from three of the main oil companies rejected shop stewards' recommendations to take industrial action and instead accepted an 8.1 per cent pay offer.

The first workers to make known their disapproval of the strike call came from Texaco. They voted, according to union officials, by a narrow majority to accept the offer. Their stewards had recommended a series of random one-day strikes.

A later meeting of shop stewards from Esso reported that Transport and General Workers' Union members had voted by two to one to reject the strike recommendation and accept the offer. Shell staff voted by a three to two majority to accept the offer.

Union officials had been confident that the workers would vote to reject the call and Mr Jack Ashwell, the TGWU national secretary for commercial transport, said after the Esso stewards' meeting that he was a bit surprised when he heard the workers had accepted the offer which had previously been rejected, had been taken for a variety of reasons. He mentioned the workers' embarrassment at the management's tactics of publishing their average earnings.

Those figures showed that average earnings would range under the offer, from £170 a week to £217 and Mr Ashwell said many of the drivers' wives were not aware of their earnings because they did not hand over their pay packets.

Mr Ashwell said the average earnings they had produced did not tally with earnings figures of which the stewards were aware.

He said that normally stewards' recommendations would have been accepted by the workers and he thought that another reason for the rejection of the strike call was the fact that Christmas was approaching.

**Miners' ballot**

□ The picket ballot to choose a new president for the National Union of Mineworkers opened yesterday amid unprecedented security arrangements for a trade union election. (Our Labour Editor writes.)

Strict instructions were in force to prevent possible leaks as to how the men are voting. 240,000 miners have a single transferable vote to cast. The four candidates are Mr Trevor Bell, secretary of the union's white-collar branch, Mr Bernard Donaghy, of Lancashire, Mr Raymond Chubb, of Nottinghamshire and Mr Arthur Scargill, the Yorkshire president.

□ The arbitration service, Acas, has been called into the dispute which has closed Coventry's school and college for nearly a month with 60,000 pupils and students having to stay at home (the Press Association reports).

The dispute involves school cleaners, caretakers and kitchen staff who are facing pay cuts. They are supported on strike by the rest of the 3,700-strong authority of the National Union of Public Employees.



## From the sound of bombs to music

John Jamieson, aged 13 (above), was one of a group of Irish children who were flown from Belfast to London for a Christmas party at the home of Mr Narachi Fujiyama, the Ambassador for Japan.

The 22 youngsters ate turkey and chips, pulled crackers and sang, and another Christmas tree as Father Christmas handed out stockings bulging with presents from Japan.

Later they joined in when a girls' choir sang carols and they presented gifts of Irish linen handkerchiefs and a crystal glass to the ambassador and his wife.

The party was arranged by Dr Paul Cook, president of an Anglo-Japanese friendship society, and the Save the Children Fund. The 11 boys and 11 girls, other stars from the show.

all Protestants, were aged between 10 and 13. Some were physically disabled, others suffered family problems or came from broken homes, and all suffered from the stress of growing up in Belfast.

One youngster spoke of his fear when ever he heard a knock at the door, and another remembered the time bomb exploded on his street corner. "Children in Ireland suffer so much," Dr Cook said. "I wanted to do something, and this seemed ideal."

As well as being guests of the ambassador, the children enjoyed a sight-seeing tour of London and were taken to see "The Sound of Music", at the Apollo Theatre in Shaftesbury Avenue, where friendship society, and the Save the Children Fund. The 11 boys and 11 girls, other stars from the show.

## Inquiry into battered baby case

Social services chiefs are to set up a special subcommittee to investigate the role played by health visitors, hospital specialists and family doctors in the case of Jason Caesar, the baby who was battered to death by his mother and her lover.

The decision was taken yesterday, during a seven-hour meeting in which Cambridge City Council's social services committee discussed its department's handling of the case.

Mr Stanley Crump, the Deputy Chief Constable, counsel legal experts and Mr Richard Davis, the social worker in charge of the case, all attended the talks.

Jason Caesar was 19 months old when he was battered to death by Mrs Christina Caesar, aged 25, and Mr Andrew Clark, aged 24, at their home in Darwin Drive, Cambridge.

They were each jailed for five years when a jury at Norwich Crown Court last month found them guilty of manslaughter. Yesterday's meeting was a statement was issued which said: "The committee held a full discussion on the history of the Jason Caesar case and the new forms of training we shall face continuing high unemployment alongside skill shortages which inhibit economic recovery."

The 1,000 written responses to the document had shown

## Tebbit urges unions to back youth programme

By Edward Townsend, Industrial Correspondent

Mr Norman Tebbit, Secretary of State for Employment, appealed to the trade unions yesterday to support the Youth Opportunities Programme (YOP) while a new industrial training policy was being established.

At the monthly meeting of the National Economic Development Council, he said the reallocation of Government resources would be made easier if companies took on more young people and if unions made it easier for them to do so.

He understood the unions' problems but he sought their help because, if the programme collapsed before there was a new national training plan, the country could be in real trouble.

The council meeting, chaired by Sir Geoffrey Howe, Chancellor of the Exchequer, considered a progress report from Sir Richard O'Brien, chairman of the Manpower Services Commission, on the MSC's consensual document, *A New Training Initiative*, published last May.

Sir Richard said: "Unless there is a major investment in new forms of training we shall face continuing high unemployment alongside skill shortages which inhibit economic recovery."

overwhelming support for the MSC's three objectives: Development of skill training, ensuring of basic training for all young people, and a widening of opportunities for adult training or retraining.

The council's deliberations come after speculation in Whitehall that Mr Tebbit is soon to announce a new package of training measures which would add £500m to the Government's £1,500m employment and training measures target for the next financial year.

TUC representatives at yesterday's meeting said employers must make more funds available for training.

The YOP had provoked tremendous pressure on trade unions. Many young people felt that the YOP work content was too high, the training and pay too low.

The CBI group at the NEDC meeting was led by Sir Terence Beckett, the director general, who said the MSC proposals would have no real value until specific action was taken on a national training plan.

The meeting also agreed to set up a study group to examine the industrial policies of other European countries.

Geoffrey Chandler, director general of the National Economic Development Office, has argued that Britain should establish a more formal policy towards industry.

Photograph, page 5

## Science report

## Plant that goes pink in the face of pollution

By Tony Samstag

*Tradescantia*, that prolific and peripatetic houseplant familiar to most indoor gardeners as wandering Jew or spiderwort, may also function as a sensitive warning system for detecting minute quantities of pollution.

The United States Environmental Protection Agency has found that special laboratory strains of the plant show microscopic changes five to 17 years after exposure to polluted air.

"When exposed to a mutagen before the plant blooms, mutated cells in the hairs on the *Tradescantia* turn from a normal blue to pink," according to Dr. Shabbeg Sandhu, quoted in the EPA journal.

"Although it's difficult to compare plant mutations to possible human effects," he continues, "we must assume that a 'bad' mutation occurred far less frequently in relatively pristine environments, such as the Grand Canyon than in industrial cities."

Researchers are also developing methods for testing chromosomal damage in *Tradescantia*, which would indicate a higher level of damage than gene mutations alone.

The Journal traces the use of bioassays, as these living pollution monitors are known, to the original miners' canary. "The suddenly silenced chirps of a caged canary signalled to miners that the air around them would soon be too dangerous for them, too, to breathe." Other plant bioassays that have shown promise include strains of corn, barley and *Arabidopsis*, a member of the mustard family.

Dr Sandhu says: "Our goal is to develop a battery of mutagen-sensitive bioassays... for monitoring environmental quality. We have a battery of bioassays because no single test system can detect all of the chemicals that may be harmful to people."

The EPA Journal, vol 6, no 9, p 28. (United States Environmental Protection Agency, Washington, DC 20460.)

## EXPRESS DEAD EXPLAINED

Craft prior union leaders are to meet Lord Matthews, chief executive of Express Newspapers, today to hear at first hand proposals to restructure publishing of the *Daily Express*, *Sunday Express* and *Daily Star*.

General secretaries of the National Graphical Association and the National Society of Operative Printers, Graphical and Media Personnel asked for talks after speculation that the three titles are to be sold.

Lord Matthews confirmed yesterday that Express Newspapers is being "demerged" from its parent company but denied a sale was in prospect.

He said: "Reports in today's newspapers that the *Daily Express* and its associated titles are up for sale are untrue. Express Group newspapers are currently making a profit, not a loss, as reported in today's Times."

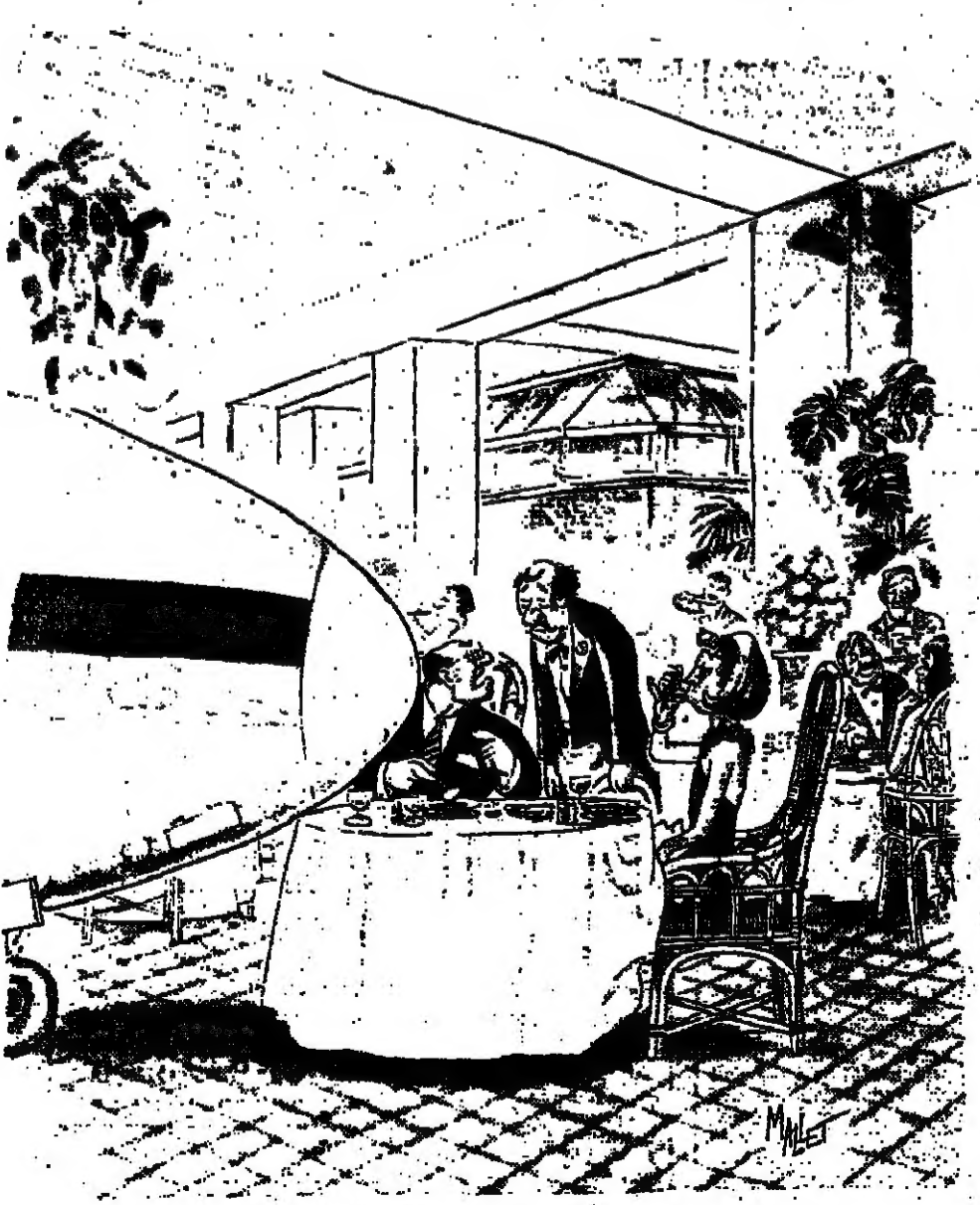
The National Union of Journalists' chapel of the *Daily Express* and *Sunday Express* called for a reassurance over conditions of contract.

**CORRECTION**

Tribune states it has been an independent socialist newspaper since 1957 and, contrary to a report on Tuesday, has never been involved in organizing a party within a party.

**Overseas selling prices**

America: 25c; Australia: 30c; Belgium: 25c; Canada: 30c; France: 25c; Germany: 25c; Hong Kong: 25c; India: 25c; Japan: 25c; New Zealand: 25c; Norway: 25c; Portugal: 25c; South Africa: 25c; Sweden: 25c; Switzerland: 25c; Taiwan: 25c; Thailand: 25c; The Netherlands: 25c; United Kingdom: 25c; USA: 25c; West Germany: 25c.



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## Ulster police back internment call

From Christopher Thomas, Belfast

The Police Federation in Northern Ireland yesterday backed calls for selective internment as evidence continued to mount that the RUC and the Garda are having an exceptional fight against the Provisional IRA.

Mr Eldon Griffiths, parliamentary adviser to the Police Federation of England and Wales, said in Belfast: "I am persuaded that the clear majority of Ulster police believe there is a case for selective internment of IRA gunmen."

Nationalist politicians reacted bitterly to his remarks, but there was strong support from Unionist leaders. Mr Michael Canavan, spokesman on law and order for the Social Democratic and Labour Party, said the aim should be to bring the community together and not to return to jackboot repression.

Inspector Alan Wright, of the Police Federation of North-

ern Ireland, defended Mr Griffiths' call. "It is not possible under the present laws to put these people away in the normal courts then the government must take some cognisance of what we say. It is an emotive issue and the idea may not be acceptable, but I am talking about saving the lives of civilians and police officers."

In the past fortnight the police in Northern Ireland have made sweeps in which people said to have connections with the Republican movement have been arrested and held under anti-terrorism laws for seven days.

In the Republic, the police have had a run of successful operations against the IRA, the most notable of which was the discovery early this week of a training camp at Crumlin Island in West Down.

The previous week, police in Co. Monaghan, discovered a cache of arms in a disused

quarry. Last week, police in Co. Louth arrested two men after a car chase and discovered an Armalite rifle and other weapons.

Security on the border is more intensive than for some time. The RUC and Garda patrols are able to monitor each other's radio messages and regular meetings are held in border areas to coordinate the campaign.

The Republic appears to be increasingly willing to try to overcome the constitutional ban on extradition of political offenders. The two governments are believed to be studying ways of legally defining a political offence so that IRA members may be sent to Northern Ireland for trial. There are also indications of a more flexible attitude towards allowing RUC officers to be present during the interrogation of IRA suspects in the South.

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## NEWS IN SUMMARY

### Air traffic protest at 'misses'

Air traffic controllers yesterday for changes to the system of investigating "near misses" after the incident involving the Duke of Edinburgh.

Under existing Civil Aviation Authority regulations, the findings of the investigation committee into the incident last Friday will remain secret.

"It is highly regrettable that there is not a more open system", said an executive controller at the West Drayton control centre. "As things stand now, blame is often directed towards us, certainly in the eyes of the public, which is entirely unwarranted. But we have no opportunity to make public our version of events."

A Civil Aviation Authority spokesman said the findings of the Air Miss Investigation panel were never published so as not to deter pilots from filing reports about such incidents.

### Fare cuts put traffic up 7%

Merseyside Passenger Transport Committee was told yesterday that during the first four-week period since public transport fares were cut on October 4, passenger traffic had increased by 7 per cent on buses and suburban trains.

The fall in revenue was 2.6 per cent less than had been estimated. Members were warned that the figures might not be representative over a longer period. The reductions could still depend on the result of the legal action in which the Greater London Council is involved.

### Pools winners share £1.2m

A Middlesbrough man and an Oxfordshire woman set a new football pools record yesterday with a shared win of £1,211,020. The winners, the pools company said, were the first time two winners had won more than £500,000 each in one week.

Mr Ken Smith, a British Steel draughtsman who said yesterday he had been fearing redundancy, said the Oxfordshire woman, a shopkeeper who wishes to remain anonymous, each received £605,510.

Mr Smith's son, Stephen, aged 13, a West Ham supporter (with his father, above) persuaded him to alter his entry to the winning selection. "Stephen made me change my coupon from a draw for Manchester City and Ipswich to one between West Ham and Leeds and it really paid off", Mr Smith said.

### Armed robbery twins jailed

Twin brothers, aged 23, were jailed yesterday for armed robbery. John Patrick Conway and his brother Francis, of Ennismore Avenue, Greenford, London, both denied the charges at the Central Criminal Court.

Francis Conway was sentenced to six years jail, for robbing a brick works contractor of £3,500 in March last year, and a further 12 months for the breach of conditions of a suspended prison sentence.

John Conway was sentenced to six years jail for robbing a security guard of £5,629 two years ago. He was also sentenced to two years, to run concurrently, for possessing a shotgun and six months for breaking the conditions of a suspended prison sentence.

### Man dies of wounds from 1914-18 War

A veteran of the Battle of the Somme in the 1914-18 War died from his wounds on Sunday. An inquest verdict on Mr George Joseph Linthwaite, of Mansfield Road, South Croydon, recorded that he died "a victim of the King's enemy".

Dr Rufus Crompton, a pathologist, said that there was a defect in the skull caused by a shrapnel wound and a long-standing lung disease caused by wartime gassing.

### Witness dies at court

Mr Alan Aikley, an iron-monger, of Buckfastleigh, died at Teignmouth Magistrates' Court, Devon, yesterday while waiting to give evidence in a licensing case.

## SDP: Recruitment

### Membership drift in Ulster will break new ground

From Christopher Thomas, Belfast

The Social Democrats have decided to launch a recruitment drive in Northern Ireland early next year, making them the only British political party to organize actively in the province.

An eight-member committee has been set up in Belfast and in the new year it will begin establishing a policy towards Northern Ireland to be recommended to the party nationally. There is little doubt that it will stand by the principles adopted by all the main political parties in Ireland and Britain: that there can be no change in the constitutional status of the province without majority agreement.

Mr Peter Brooks, a Belfast historian and secretary of the new committee, said approval to establish a recruitment organization in Northern Ireland was given by the steering committee. He added: "The SDP offers people in Northern Ireland the opportunity for the first time to vote for a party that has a chance of coming to power. The province has only 12 MPs and the SDP already has double that."

No British-based party has previously shown any serious interest in recruiting in Ulster. The Northern Ireland Labour Party is a small and insignificant force in Ulster. Politics, the Ulster Liberal Party is almost defunct and the Conservatives have never organized in the province except through the Unionist connection.

The SDP's main local attraction, at least initially, will be its national status. The party that stands to lose most from a successful drive by the Social Democrats is the non-sectarian Alliance Party, which has already lost a lot of support to more extreme elements mainly because of tensions created by the hunger strike and the "Red" and "Paisley's" "Third Force".

With the province in turmoil and people back to "tribal politics" it is difficult to see how the Social Democrats could make any significant impact in the foreseeable future. Mr Brooks said a mass bid would be to cross the sectarian divide.

He added: "In strong contrast to the Labour Party and the Tories the SDP wants to have an active contribution from Northern Ireland in devising policies towards the province. We have been prevented from participating in the debate and a lot of ignorant things are said about us."

"It will be an entirely new concept for Ulster people to vote for a party with a large membership at Westminster and the prospect of forming a government. At the moment we know that no local party can get more than a few MPs."

No decisions have been taken about when to fight local elections but party workers in Northern Ireland hope to be ready to put forward candidates at the general election.

Dr David Owen addressed a small gathering of potential SDP voters in a Belfast hotel a month ago, and at that time he was non-committal about whether the SDP would organize Northern Ireland. Mr Brooks said approval to do so came only a few days ago.

## SDP: The twenty-fifth MP

### Why I quit, by Ronald Brown

With a parting shot at the "extremism, viciousness and spitefulness" in the Labour Party, Mr Ronald Brown, MP for Hackney, South, yesterday became the SDP's twenty-fifth MP.

At a Westminster press conference, and in a letter to Mr Michael Foot, the Labour leader, Mr Brown made clear that it was his experience as a member of the subcommittee of the party's London regional council, which has been hearing appeals from moderate councillors excluded from the local government lists of London Labour parties, that finally helped to drive him out.

"I have had to sit there night after night listening to the most appalling abuse of people who have served the Labour Party for many years, many of them my personal friends", he said.

And in his letter, he criticized Mr Foot for failing to act against the far left.

"In all these matters you appear unable to take the necessary action one expects from a leader of the Labour Party", he said.

Mr Brown told Mr Foot: "The time has come for me to recognize that the Labour Party I joined and worked for over all the years has now gone. The name exists, but it is a pale shadow of the dynamic, passionate, caring party to which I devoted myself."

Mr Brown, an MP since 1964, was reluctant to comment on the difficulties that may lie ahead for him and the alliance after the statement on Monday by Mr Jeffrey Roberts, who has already been adopted as the Liberal candidate in his constituency, that he will not stand down.

But Mr John Roper, the SDP's chief whip, who was at the press conference, pointed out the provision in the alliance's guidelines for allocating seats, that each party's sitting MPs on January 1 will be recognised as the candidates in their existing constituencies, provided they are re-elected in the form laid down by their respective party rules.

Explaining his decision to join the SDP, Mr Brown remarked: "I am a team man, not a loner. I want to do the best I can for my constituency and my country and I now regard the SDP as the one team that can achieve the things I want to see happen."

In a letter to Mr Ronald Hayward, the Labour Party's general secretary, Mr Brown said: "I have found the vicious extremism, now endemic in the party as a result of the infiltration of people

who subscribe to a philosophy that is wholly unacceptable to me, utterly repulsive."

Local councillors should face election every year under the proportional representation system of voting. Mr John Cartwright, the SDP's spokesman in Parliament on the environment, said yesterday (Hugh Clayton writes).

"Annual elections are a much better safeguard of accountability than referenda", he said in an account of his party's plans to reform local government. He regarded the Local Government and Finance Bill, now before Parliament, as a device by ministers to usurp power from local authorities.

Mr Cartwright, MP for Woolwich, East, said at a meeting of the Town and Country Association in London that the case for proportional representation was even stronger in local government than in parliamentary elections.

Low turnouts in local elections had often produced abrupt and sweeping changes in control of local authorities.

The sort of wild fluctuations that had not been accounted for by change in public opinion is not good for local government", he declared.

Standing on top of the world

Mr Derek Dowsett, a record company manager, taking an unusual trip on top of a hot air balloon (above) yesterday, to raise money for Stoke Manderville Hospital. Mr Dowsett, safely back on the ground (right), was sponsored by The Police rock group and H. G. Twilley and Sons, for the flight at Newbury, Berkshire. He flew for about four miles, 1000 feet above the ground and believes he is the first person to stand on top of a balloon in flight.

### Standing on top of the world

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The Reith Lecture

## Third World key to nuclear balance

By a Staff Reporter

The prospect of nuclear proliferation was a feature of the strategic scene that would introduce a terrifying new element into the turbulence of the Third World, Professor Laurence Martin said last night on BBC Radio 4 in the fourth of this year's Reith lectures.

Continuing his examination of the role of armed force in the modern world under the series title *The Two-Edged Sword*, Professor Martin, Vice-Chancellor of Newcastle University, said it was generally assumed that the spread of nuclear weapons was a bad thing — and in principle he agreed, although the view was not universal.

By definition, he said, many disputes that had no chance of "going nuclear" could do so if one or more of the parties possessed nuclear weapons.

"The prospect of a country such as Libya possessing a bomb was a terrifying thought", he said. "New nuclear might also be technically unsound so far as safety and control are concerned. Moreover the very process of proliferation, in which nuclear forces might be imminent but not operational, could lead to acute

"pre-nuclear" conflicts — a theoretical possibility recently made reality by the Israeli air attack on the Iraqi reactor."

Professor Martin said there was also the sobering thought that if small nuclear forces were actually used with results that proved not to be utterly catastrophic, the useful taboo on nuclear war that had been observed since Nagasaki might be broken, with unpredictable consequences for the climate of restraint elsewhere.

"Thus, beyond the obvious ecological dangers to the whole world from nuclear explosions in the atmosphere, there are implications for the balance between the longer established nuclear powers."

So there were general as well as particular dangers in nuclear proliferation: this did not mean there was a simple correlation between increased numbers of nuclear powers and increased danger. It mattered a great deal, he said, who got nuclear weapons, when and how. A nuclear force could be the stabilising factor in a military balance.

Referring to a shift in the style of Soviet military action in the Third World, from covert and oblique to direct and open, Professor Martin said it did not seem unduly alarmist to conclude that where practicable, Soviet forces might henceforth be used directly to prevent the reversal of the successes of Soviet-inspired regimes in the Third World as they had repeatedly been in Eastern Europe.

For, he said, if the Soviet Union had little to offer these days by way of economic and social example, it was undoubtedly expert in the widely demanded art of seizing and holding power.

As to mastering the problem today and in the future, both sides would have to yield a little. "The fact that much of the most effective action called for is political and economic — or if military, at a low level — all of this makes a case for continued independence of action."

"But when it comes to military action, the new-found reach of Soviet forces can only be convincingly offset by the United States."

## Bromley alone in GLC fares protest, QC says

By Francis Gibbs

A QC yesterday rejected a claim put to the House of Lords that the London Borough of Bromley's challenge to the Greater London Council over its cheaper fares scheme was part of a widespread revolt by ratepayers.

Mr David Alexander, QC, told the five Law Lords that counsel for Bromley said they could infer that the borough was backed in its legal action by other London boroughs. "No such inference can be drawn", he said.

"You have before you one challenge by one London Borough," he said.

It was "usual that where other boroughs did support legal action by one borough, they joined together as plaintiffs in the legal proceedings, as in the recent case of Camden and other boroughs v the Department of the Environment."

But no such action had been taken in these proceedings, Mr Alexander said. "It is quite inappropriate to infer that other boroughs support Bromley in this appeal." He said it was naive to suggest that the GLC would totally ignore the effect on the ratepayers of its proposal to levy an extra 6.1p rate to pay for a cut in bus and underground fares of one quarter, particularly "when the balance of power is close."

"Ratepayers constitute a significant proportion of the electorate; on the basis of

one ratepayer per household, they amount to two-fifths. They can express their approval of policy both through the ballot box, as they did in May, 1981, and at a later date if they disapprove."

The cost to the ratepayers was clearly a factor which had been laid before the council, and it had been taken into account, Mr Alexander said.

Countering criticisms that the benefits of the scheme, launched on October 4, were slight, he said that the council was also mindful of its aim to halt the decline on London transport.

He agreed that the cheaper fares scheme benefited visitors to London who did not pay rates. But they included visitors to both commercial and domestic ratepayers, whose employees also benefited from the cheaper fares. A good transport system was an amenity in a modern city for everyone, he said.

Mr Alexander was making his closing speech for the GLC on the sixth day of its appeal against a Court of Appeal ruling that it acted illegally in levying an extra rate to pay for a 25 per cent cut in fares.

Bromley is contesting the scheme before Lord Wilberforce, (presiding), Lord Diplock, Lord Keith of Kinkaid, Lord Scarman and Lord Brandon of Oakbrook.

The hearing was adjourned until today.

## Rapist was 'addicted to sex'

Stephen Whitehouse, aged 27, was jailed for life yesterday after admitting a series of sex attacks on schoolgirls and women starting when he was 12 years old.

Whitehouse needed sex "like an alcoholic needs drink or a drug addict needs drugs. It was a craving he was unable to control", said Mr Patrick Hamlin, counsel for the defence.

Yesterday at the Central Criminal Court, Mr James Miskin, the Recorder of London, told him: "I believe you are now very sorry, but that remorse was never reflected in any way in the past until you were, happily, caught."

"You raped and tried to rape a whole series of young women and some of them very young, 12 and 14. You did it at knife-point for almost all the time and more often than not you accompanied rape or attempted rape with collateral filth."

The attacks began, he confessed to the police, when he was a schoolboy aged 12 and assaulted a woman in Ramsgate. He sat in the dock with his head bowed as Mr Michael Wright QC, for the prosecution, gave details of the charges.

In 1976, he attacked and raped at knife-point a girl aged 12 in Bordon, Hampshire. After that attack, Whitehouse was interviewed between then and May of this year. Whitehouse attacked several girls and women. One victim, a girl aged 16, who in April of this year was cut on the face as she fought him off, was able to give the police, a good description of him.

Because they remembered him from the 1976 rape, the police interviewed him.

He said he was making a cry for help and that he was "a nutcase". He had reached the stage where he went out looking for women to attack. "I am making a clean breast of everything because I need treatment."

## Cost of lead in petrol

By Hugh Clayton, Environment Correspondent

Friends of the Earth claimed yesterday that the cost of adding lead to petrol cancelled out the financial benefit won through lower fuel consumption. Mr Brian Price, the organization's pollution consultant, said in London: "It is to be an important campaigning point for us to get lead out of petrol."

"There is the energy cost of worn-out exhaust systems which corrode more quickly when you put lead in petrol. Our evidence suggests that adding lead to petrol costs energy rather than saves energy."

The claim came amid new efforts to alert people to the dangers of damaging the environment. The Council of

Environment Ministers of the EEC will today debate the possibility of harmonizing laws throughout the Community on poisonous gases in vehicle exhausts.

Mr Steve Billcliffe, the new campaign director of Friends of the Earth, said the organization wanted people to report cases of industrial pollution to it. "We want to expose the midnight cowboys, the dumpers at night out of the back door of industry."

Meanwhile quangoes and voluntary organizations formed a new group to implement in Britain the World Conservation Strategy suggested last year by the International Council for Nature Conservation.

## Two found guilty of shoeshop murders

Two young men were convicted at the Central Criminal Court yesterday of the "horrible murders" of two elderly shopkeepers.

Mr Nathan Taylor, aged 75, and Mr Leonard Mintz, aged 55, were shot during a raid on their shoeshop in Shepherd's Bush, West London, in September last year during a 13-day rampage of crime by the two men.

Michael Jamieson and James Anderson had denied murder, but admitted conspiring to rob. Jamieson admitted killing the shopkeepers but pleaded manslaughter due to diminished responsibility.

The prosecution refused to accept his plea saying: "There is a difference between badness and madness, and this was plain badness and evil, and nothing to do with diminished responsibility."

Anderson, aged 25, was cleared of attempting to murder Mr Champaal Chandra, a sub-postmaster, during another armed raid with Jamieson. Jamieson had admitted the attempted murder in which he shot Mr Ghosh in the chest at point-blank range.

Mr James Miskin, QC, Recorder of London will sentence both men today.

Jamieson, aged 23, will also be sentenced today for another double murder.

He was convicted last month of killing Mrs Catherine Herbert and her husband Mr Joseph Herbert, both pensioners, during a robbery at their home in Walslow, East London, on September 5 last year. The judge described these murders as "one of the most revolting and loathsome killings ever."

Anderson was cleared of those murders but convicted of conspiring with Jamieson to rob the Herberts. He will be sentenced for that crime today.

The verdicts in the first trial were not publicized because it would have been prejudicial to the present trial if the jury knew of the pair's past crimes.

Mrs Herbert, aged 74, and Mr Herbert, aged 68, were trussed up, beaten and tortured with a knife for four hours to make them reveal where their valuables were. Their burglar was deliberately killed in front of them. After the fatal stab wounds were inflicted the couple took a further hour to die.

## From yesterday's later editions

### Nott scores in nuclear war debate

In a Cambridge Union debate Mr John Nott, Secretary of State for Defence, battled point by point with the general secretary of the Campaign for Nuclear Disarmament. Expressing total horror at nuclear war, Mr Nott seemed to win by a few decibels in the shouting of ay and no.

Mr Bruce Kent challenged him to say whether he could ever press the fatal button and asked how Britain, possessing nuclear weapons, could hope to persuade a country like Libya to forgo them.

### NUM leadership

Candidates for leadership of the National Union of Mineworkers shared an eve-of-poll platform at Church Gresley, Derbyshire. Mr Trevor Bell, Mr Raymond Chadburn, Mr Enoch Donaghy and Mr Arthur Scargill all put their cases.

# Phoning abroad this Christmas?

If you're thinking of phoning your loved ones in foreign parts this Christmas, here are a few hints to make sure you get through quickly and easily.

### DO YOU NEED THE OPERATOR?

Almost all overseas calls can now be dialled direct, but if you do need the operator, and you want to phone abroad between 6pm on Christmas Eve and 8am on December 26th, you must book your call in advance.

(The international operator will tell you if you can dial the call yourself.) Booking your calls couldn't be easier. You simply phone the international operator

for the country you want, any time between 8am on the 21st December and 6pm on Christmas Eve and make your booking.

You'll find the number in your local dialling instructions.

Bookings cannot be taken for calls that can be dialled direct.

### SERVICE RESTRICTIONS

From 6pm on December 24th until 8am on the 26th, there will be no Directory Enquiry Service, (so make sure you know the number) and no special facilities such as transferred charge, personal calls or credit card calls.

British TELECOM International



# PARLIAMENT December 2 1981

## Cut in personal living standards inevitable

### ECONOMY

Public expenditure in 1982-83 will be about £5,000m more than planned as a result of measures announced by Mr Geoffrey Howe, Chancellor of the Exchequer, in his statement to the Commons. Lord Labour's laughter greeted his forecast that the outlook was for gradual recovery.

He announced an increase in prescription charges to £1.30; repeated the pledge that retirement pensioners would be fully protected against inflation; but said that the increase in short-term social security benefits would be limited to the rate of inflation in the retail price index over the next 12 months.

Employees' national insurance contributions would be increased by 1 per cent from the beginning of next April, in view of the national insurance burden on employers, and because it was right that those in work should shoulder the additional costs of social security, which were expected to be £1.5bn next year.

Labour protests greeted the announcement that grant support levels for local authorities next year would be 25 per cent less than last year's. Mr Howe said that nationalised industries would be allowed £1.3bn, about half their total, for capital finance, but said that by containing costs and increasing efficiency they could maintain their aggregate capital investment programme.

It was inevitable, he said in reply to questions, that there would be some reduction in personal living standards.

Sir Geoffrey Howe, in his statement about the Government's decisions on public expenditure in 1982-83 and on the future pattern of national insurance contributions for next year, said that in each case the proposals followed the annual review which took place at this time of year. They would take effect in the 1982-83 financial year.

He said he was also publishing today, as required by the 1975 Industry Act, the forecast of economic prospects for 1982. The forecast was that the rate of inflation would be 12 per cent, and that the rate of growth would be 1.5 per cent.

Output is expected to rise by about 1 per cent, and manufacturing output rather more rapidly. The outlook in short, is for gradual recovery, provided that...

As I told the House in my Budget statement, we are no longer planning public expenditure in volume terms but in real terms. The plans for next year, which appeared in the last White Paper on Finance, had therefore to be revalued in cash.

The increase in student grants for the next academic year will be 4 per cent, in line with the increase in grants for employees in the public service. The parental contribution scale will remain unchanged, but the minimum award will be kept at the present cash level.

I turn now to national insurance and other social security payments. These benefits will be updated in line with the forecast movement in prices from November, 1981, to bring them in line with the forecast of the movement of prices and the consequent changes in benefit rates will be made next spring.

The House will know that the increase in the RPI to November, 1981, will probably be some 2 per cent higher than the 1.5 per cent increase allowed for when calculating this year's updating.

For retirement pensions and other long-term benefits, the Government will be using the index of the last Budget, 1981, of course, have to take all the relevant factors into account when time comes for framing next year's Budget.

I shall inform the House now about some of the main changes. Increases in grants to local authorities on account of policy or of changed demands—amounting to about £5bn. But we have managed to effecting reductions in previous years.

plans of over £1bn. These restrict the net increase to the figure of £5bn that I have already announced.

The administrative costs of central government are not far short of 10 per cent of total public expenditure. We are determined to reduce this proportion and maintain the drive for more efficient management throughout the public sector.

Our spending plans provide broadly for increases of 4 per cent in the total sums available for the pay of public servants from next settlement dates. The provision for administrative costs will be further reduced by the impact of a general reduction of at least 2 per cent in all cash-limited expenditure.

This will involve economies in the cost of maintenance and improvement of Government buildings as well as in manpower and ancillary services. And we shall continue to reduce Civil Service numbers so as to maintain progress towards our aim to have 105,000 fewer civil servants by the end of 1984.

The Secretary of State for the Environment and Mr. Howe are about to undertake consultations with the local authority associations on the increase in local housing allowances for council tenants. It will be assumed for grant and subsidy purposes.

Subject to those consultations and to the Government's successful policy for increasing council house sales, we hope to be able to maintain activity on the housing front at approximately the same level as this year.

There will be some reductions in the cost of provision for some other capital programmes including those for water services, motorways and trunk roads, and certain local authority services. There has, however, been a substantial fall in tender prices for the construction of new houses, and this will have a significant impact on our published plans for water services, motorways and trunk roads.

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of money next year on social security. The great bulk of this cost on pensions, which alone will cost the fund nearly £1.5bn next year, is on the State Pension.

These increases, together with the slower rate of growth in contributions, would mean that if we took no action on contributions, there would be substantial deficits in the national insurance and redundancy funds. Those deficits must be financed.

In addition, as I have said, we have decided to propose an increase in the rate of contributions to the NIS. The taxpayers' contribution to the fund will be increased by 1.5 per cent.

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The nationalised industries' total bids for increased external finance amounted to about £1.5bn last year, but would have been in addition to the nearly £1.5bn already provided in the plans. We have decided to allow them about half in unemployment.

Nevertheless, if as the Government and the House very closely expect they continue to drive to contain current costs, both by increasing efficiency and by making moderate pay settlements, they should be able to maintain their aggregate capital investment programme at about the same level as was envisaged in the plans published last March, a level 15 per cent higher in real terms than in 1980-81.

In order to enable us to carry through the plan, we are increasing the provision for defence next year by a further £400m. This will be the cost of carrying forward the 1981 forces pay award.

Improvements to the various special employment programmes were announced by the Prime Minister on July 27. These added some £500m to public expenditure next year.

The Secretary of State for Employment (Mr. Norman Tebbit) will be making an announcement on further measures to reduce unemployment payments for the unemployed, which will be designed to encourage them to return to work.

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Chancellor should yet again save his victims? Unemployment pay was cut 5 per cent last year, earnings-related benefits ceased by his decision this month. Like all social security income they will be underpaid.

(Conservative protest). The unemployed will be underpaid 2 per cent for a whole year owing to a miscalculation of this year's inflation rate.

On top of this, he has decided to cut the benefits for unemployed and every short-term supplement benefits receiver, by more than 10 per cent, to compensate for this year's inflation.

This will mean that the average family man receiving unemployment benefit will be getting something like £13 a week less well off than he would have been if the arrangements pertaining in May, 1979, were continuing today.

Will he confirm that the proposed increases in council rents is of the order of £2.50 a week and that if this is pursued, the Secretary of State for the Environment (Mr. Heseltine) will have succeeded in doubling council house rents within three years?

Has it not occurred to the Government that this increase in rents, rates, prescription, dental charges, and public expenditure will be reduced payments for the unemployed, which will be designed to encourage them to return to work?

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On the rate support grant, it is important for the economy to ensure proper and effective control of the size of the rate of growth of expenditure by local authorities.

Some two-thirds of this year's increase over the Budget increase is likely to be attributable to overspending by local authorities. We are making a provision next year for some £1.5bn for additional expenditure by local authorities.

I reject the suggestion that this represents a departure from the Government's economic strategy. (Labour laughter.) The decisions I have announced are necessary to maintain the framework for development and growth.

Mr. Edward Clegg (Taunton, C): To bring some sense to our people at a time of world recession, will he put the great resources of the Treasury and of the Department of Industry behind the idea of facilitating a programme of public works, private finance, and so on, as in the case of the Severn-Somerset and the Channel Link?

To assist him in his objective of controlling expenditure, will he now allow the Comptroller and Auditor General access for audit purposes to the 30 per cent of public expenditure to which he is now denied access?

Sir Geoffrey Howe: We shall be bringing forward further proposals to increase the effectiveness of the public expenditure review. The House of public expenditure throughout the public sector.

Mr. John Barrett, chairman of the House of Commons, said that he had a responsibility to assist the Government in its efforts to reduce unemployment and to improve the standard of living of the people.

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Share: Unnecessary damage. The implication of the word "reflation" is that it is likely to increase the risks of higher inflation. The balance of the budget for next year consists of two components—public expenditure and the tax provisions. I shall lay before the House at that time. At that time I will make a judgment on the total plan.

Mr. John Golding (Newcastle-under-Lyme, Lab): It is inappropriate to discuss the budget at this time. It is a short-term benefit. What justification has he got for paying an estimated 700,000 long-term unemployed a benefit less than that paid to those suffering from disability or those in retirement? How is he going to make good the loss of wage-related benefits next year?

Sir Geoffrey Howe: It is necessary to take account of two factors—the relations between payments and the cost of the benefit. It is likely to be received by those in work, and the impact of this on public expenditure.

Mr. Terence Higgins (Worthing, C): The Government has announced to increase or decrease the level of aggregate demand for 1982-83? Sir Geoffrey Howe: That question in relation to next year cannot be answered at this time. The pattern of aggregate demands next year using the system employed by the Government is a matter for the House to decide.

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Lord Vauxhall (L) said the Government carried a heavy responsibility to ensure that standards of training were not allowed to deteriorate. Lord Flowers (SDP) said that if the Government was to increase the size of universities at least under the current period, it would have to be done by extending the period of the run-down.

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## Two new prisons and hope of fewer prisoners

### PRISONS

Plans to build two new prisons together with an "important enhancement" of the redevelopment programme were revealed by Mr William Whitelaw, the Home Secretary, during a debate on prisons.

He said the total proposed number of new prisons starting over the next five years would be eight, with establishments at Bovingdon in Hertfordshire, and Lockwood in Oxfordshire.

A substantially larger sum of money would be provided for their development programme in 1982-83 and he indicated that the Government was also considering a new women's prison at Featherstone, near Wolverhampton, and a new London prison at Woolwich.

Mr Roy Hattersley, chief Opposition spokesman on home affairs, opening the debate, moved: "That this House believing that conditions in prisons are now both an affront to a civilised society and a continued threat to the maintenance of law and order, endorses the Government's plan to build two new prisons and to enhance the redevelopment programme by encouraging the use by the courts of non-custodial sentences and shorter sentences of imprisonment, consistent with the need to protect the public."

He said the Government had a substantial prison building programme which should produce some 5,000 new places by the 1990s. The construction of six new prisons to start over the next three years had been approved.

He could announce today decisions to proceed with two more prisons at Bovingdon in Hertfordshire and Lockwood in Oxfordshire, starting in 1984-85, and a third at Woolwich. In the longer term, the Government was considering among other possibilities a new women's prison at Featherstone, near Wolverhampton, and a much needed local prison in the London area at Woolwich.

In addition to the new prisons, there were 14 major capital projects at existing establishments attracting £23m in the current financial year, with dozens of smaller schemes elsewhere.

Following the Chancellor's statement today he was also able to announce an important enhancement of the redevelopment programme. In 1982-83, a substantially larger sum of money would be provided for this purpose than had previously been planned.

During the 1980s they were planning major reconstruction projects at more than 60 establishments which would amongst other things bring forward much improved access to sanitation.

those who by any standards of reason and sense and humanity should not be there.

Scotland had an admirable system of requiring men and women to be brought to trial within 110 days of commission of offence or to be allowed bail. A similar rule should be introduced in England and Wales.

If there were lower maximum sentences the evidence suggested that the courts would impose shorter sentences and they would be deterred from the penalty of life.

Mr Whitelaw moved as a Government amendment: "That this House believing that conditions in prisons are now both an affront to a civilised society and a continued threat to the maintenance of law and order, endorses the Government's plan to build two new prisons and to enhance the redevelopment programme by encouraging the use by the courts of non-custodial sentences and shorter sentences of imprisonment, consistent with the need to protect the public."

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In present economic circumstances, this was a substantial investment in the future of the prison service with the Government's plan to build two new prisons and to enhance the redevelopment programme of building and reconstruction this century.

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side effects of custody, such as the loss of a job, the disruption of family life and the continuous exposure to the conditions of closed custody.

Mr Alfred Dubs (Wandsworth, Lab) said that he was a member



Sir Geoffrey Howe's mini-Budget: Reaction and analysis by 'Times' specialists

## Succession to Crown and reform of rates

The 20 backbench MPs successful in the ballot for Private Members' Bills presented their Bills, which will be debated on JANUARY 22.

**Supply of Goods and Services Bill** to amend the law with respect to the terms to be implied in certain contracts for the transfer of the property in goods, in certain contracts for the hire of goods and in certain contracts for the supply of a service. (Mr. Michael Heseltine, Secretary of State for the Environment, for the past two years.)

**Trade Descriptions (Amendment) Bill** to amend the Trade Descriptions Act 1968 by extending the Act to apply to certain circumstances to real property and by redefining the offence of making a false or misleading statement as to services. (Mr. Gwyn Roberts, Carmarthen, Lab.)

**Relief from Forfeiture Bill** to provide for relief from forfeiture of inheritance and other rights by convicted persons. (Mr. William Homewood, Kensington, Lab.)

**Sex Discrimination Act 1975 (Amendment) Bill** to amend the Sex Discrimination Act 1975 to render it unlawful for private clubs and other associations which exclude persons of one sex to treat members of one sex less favourably than members of the other. (Mr. Andrew Bennett, Stockport, North, Lab.)

**Race Relations and Immigration Bill** to amend the Public Order Act 1966 as amended by the Race Relations Act 1976 to provide further for the prevention of incitement to racial hatred; and to clarify the meaning of "racial hatred" in section 33 of the Immigration Act 1971. (Mr. Alex Lyon, York, Lab on behalf of Mr. James Marshall, Leicester, South, Lab.)

**Food and Drugs (Amendment) Bill** to amend the Food and Drugs Act 1954 by increasing the penalties under that Act for causing offences under that Act to be tried on indictment as well as summarily, by extending the limits for prosecution. (Mr. Norman Adkinson, Haringey, Tottenham, Lab.)

**Dangerous Household Products (Child Safety) Packaging Bill** to extend the use of child resistant closures to certain dangerous products in common household use. (Mr. John Forrester, Stoke-on-Trent, North, Lab.)

**FEBRUARY 5**

**Planning (Amendment) Bill** to require that evidence at planning inquiries held under the Town and Country Planning Act 1974 be given in writing. (Mr. Michael Hamilton, Salisbury, C.)

**Death Grant (Increase) Bill** to increase and provide for periodic review of the death grant, and to include elderly persons currently ineligible for the grant. (Mr. Ernest Ross, Dunfermline, West, Lab.)

**Children's Homes Bill** to provide for the registration, inspection and conduct of certain children's homes, to amend the provisions of the accommodation of children in the care of local authorities. (Mr. Edward Leadbitter, Epsom, Lab.)

**Maritime Pollution (Restriction) Bill** to restrict the pollution of coastal and estuarial waters, docks, harbours, rivers, lakes, the sea and other inland waters; to give further effect to certain provisions of the Health and Safety at Work Act 1974; to amend the law with regard to the discharge of waste and other discarded matter to the public nuisance and to make provision for the enforcement of relevant statutory duties and of penalties under regulations made in pursuance of such statutory duties. (Mr. Peter Viggers, Gosport, C, on behalf of Mr. James Spicer, West, Dorset, C.)

**FEBRUARY 12**

**Cinematograph Bill** to extend and amend the Cinematograph Acts 1909 and 1952. (Mr. Bowen Wells, Hereford and Shropshire, C, on behalf of Mr. Peter Lloyd, Farnham, C.)

**Garden Supplies (Sunday Trading) Bill** to amend the Shops Act 1950 to make lawful the sale of garden supplies on Sundays. (Mr. Angus Maude, Stratford-on-Avon, C.)

**Gaming (Amendment) Bill** to amend the law with respect to the times of year at which applications may be made relating to the licensing of premises for the registration of clubs or societies under section 10 of the Gaming Act 1845 or Part II of the Gaming Act 1968 and otherwise with respect to the procedure to be followed in connection with such applications; to empower the Secretary of State to make provision by order as to the fees payable in connection with licences under the said section 10 and to repeal certain obsolete enactments relating to the matters aforesaid. (Mr. Michael Brown, Briggs and Scunthorpe, C.)

**Parochial Charities (Neighbourhood Trusts) Bill** to provide for the better use of parochial charities for the poor by their amalgamation into neighbourhood trusts. (Mr. Douglas Hoag, Grantham, C, on behalf of Mr. Marcus Kimball, Canterbury, C.)

**Industrial Deafness Bill** to widen the definition of and grounds for compensation for industrial deafness; to fix a maximum level of and exposure to noise and to restrict certain frequencies within and around working environments; to provide for other preventative noise matters and make financial provision for existing deafness caused by industrial noise. (Mr. Ronald Leighton, Newham, North-East, Lab.)

**FEBRUARY 19**

**Dogs (Miscellaneous Provisions) Bill** to make new provision relating to responsibility for dogs in the community, including establishment of a national dog warden scheme based on local authority areas. (Mr. Jack Aspinwall, Kingswood, C.)

**Restrictive Trade Practices (Amendment) Bill** to amend the Restrictive Trade Practices Act 1976 so as to give the Secretary of State discretionary powers over references to the Restrictive Practices Court by the Director of Fair Trading of any restrictive practice which the director considers to be significant. (Mr. Fergus Montgomery, Altrincham and Sale, C.)

**FEBRUARY 26**

**Raising Systems (Abolition) Bill** to abolish the power of local authorities and water authorities to levy rates on the present system of assessment. (Sir Hugh Fraser, Stafford and Stone, C.)

**Succession to the Crown Bill** to amend the law with respect to the succession to the Crown. (Mr. Michael English, Nottingham, West, Lab.)

## Rents: Average rise of £2.50 a week expected

An increase in council house rents by £2.50 a week, or 22 per cent, and a jump in average household rates of about 15 per cent are the likely consequences of the revised spending plans revealed yesterday.

In those plans, the Government says it will forgive and forgo a large amount of the overspending by councils that has been a target of ministers, notably Mr. Michael Heseltine, Secretary of State for the Environment, for the past two years.

Sir Geoffrey said that local authorities' spending is to rise in 1982-83 by £1.35bn. This figure just about covers the £1.3bn by which councils are overspending in 1981-82.

Mr. Heseltine told a news conference that the new allowance for councils was no defeat for the Government, just "adjusting for reality".

New targets are being set for council spending in 1982-83. To reach them, authorities will be expected to reduce their current spending by £500m, a figure the councils said was really nearer £800m. This is 3 to 4 per cent of their current spending. The councils say that the Government is not giving them enough to cover price inflation and likely pay rises. That means additional cuts of £200m, making a total of £1.7bn in cuts, or higher rates.

On the basis of these totals, Mr. Heseltine will require individual councils to make specific reductions. But, he said, no authority will be expected to make a cut of more than 7 per cent in real terms.

"In the targets we are setting, the authorities that have cooperated have got very low targets to reach. At the other end of the spectrum, my view is that it will be unrealistic and impracticable to look for more than 7 per cent."

Mr. Heseltine denied that he was abandoning his stated objective of getting local authority expenditure below its two million plus target. He said he was merely recognising what is attainable in the real world.

In the next financial year, local authorities are being allowed to spend some £20.4bn, or £1.8bn less than the £22.2bn target. But the Government is to pay 56 per cent, some three per cent less than in 1981-82. Local officials estimated that these figures must bring average rate rises of 17 per cent. Mr. Heseltine refused to release his department's calculations, but sources confirm that the Government expects minimum rate rises above 15 per cent.

Sir Geoffrey said that house-building would continue in 1982 at the present level. This year, some £2.8bn was budgeted for the total of building by councils, housing associations and new town corporations. But Sir Geoffrey's prediction depends on a number of controversial assumptions. One is that rents will rise by the £2.50 recommended yesterday. Another is that local authorities will not raise rates to cover the £500m of their homes and recycle the money in new building projects.

The Chartered Institute of Public Finance and Accountancy predicted a 20 per cent rate increase following the cut in the rate support grant.

The Association of District Councils said the rate support grant reduction would lead to an overall increase in the national ratepayers' bill of about 5 per cent, but the range of increases would be more variable than in the past.

What rents should have been to keep pace with retail price index

1974 1975 1976 1977 1978 1979 1980 1981 1982

Actual unweighted average weekly rent

## Defence: £319m to sustain a military pledge

Details of the most savage of this autumn's spending battles, the battle that took place between the Treasury and the Ministry of Defence, seeped out of Whitehall yesterday as it was announced that the defence budget would get an extra cash injection of £319m in the current financial year and £480m in 1982-83.

The Ministry of Defence took the line that the increases were justified if the Government was to sustain its pledge contained in a White Paper, published in June, to increase military spending 3 per cent a year in real terms. Indeed, it was suggested that if the defence budget was to survive unscathed it would need a further £100m this year on top of the £319m. Mr. John Nott, Secretary of State for Defence, wrote from the Chancellor of the Exchequer.

The Treasury, in stark contrast, maintained that the Ministry of Defence had "bounced" them, but Mr. Nott was the last minister to reach agreement with them, and he would not get away with it next year.

The Treasury disputed the Ministry's belief that defence costs rise 2 per cent faster

By David Walker

than the general level of inflation, contending instead that the military's purchasing practices enabled defence suppliers to get away with excessive charging.

As a result of yesterday's announcement, this year's defence budget of £12,274m, expressed in cash terms, will be increased in the spring by a supplementary estimate of £319m. The original increase was to have been £283m, but the Treasury "fined" the Ministry for overspending in 1980-81, by docking £34m.

The 1982-83 defence budget, in cash terms, of £13,624m will now rise by £380m. The Ministry insisted last night that had the additional sum not been forthcoming, substantial adjustments would have been necessary to the defence programme agreed by the Cabinet in June.

## Prescriptions: 650pc rise in three years

By Angelabel Ferriman

The increase in prescription charges from £1 to £2.30 from April 1 means that prescription charges will have increased 650 per cent in the three years since the Conservatives came into office. They stood at 20p in May 1979.

Increases in other charges were also announced yesterday by Mr. Norman Fowler, Secretary of State for Social Services, in line with the Government's intention of making charges pay for 5 per cent of the health service by 1983-84 compared with 3 per cent now.

The maximum charge for routine dental treatment will be increased from £9.00 to £13.00 and that for other kinds of dental treatment from £50 to £90.

The maximum charge for spectacle lenses will be increased from £8.30 to £15.00 per lens.

Mr. Fowler said that the previous expansion of the hospital and community health services would be covered. The total planned revenue increase in 1982-83 is £8,350m compared with £7,620m this year.

He said: "Allowing for overall cost increases of 5.5 per cent, per cent on pay and 9 per cent on prices (as in public programmes generally) plus a special additional allowance of £27m to cover the higher than average increase in health service purchasing costs, these special charges pay the previously planned rate of 1.7 per cent."

Health authorities would be expected to find a small part of this expansion, about 0.2 per cent, through further increases in efficiency worth £17m.

Any savings arising from the fact that an increase of only 9 per cent had been allowed for prices in the health service would have to be made up for by greater efficiency. That should be possible with the simplification of the system of charges, which will be debated at the union's national conference, which opens in Blackpool tomorrow.

## Benefits: Basic safety net for poor excluded

By Pat Healy

Ordinary supplementary benefit, the basic safety net for the poorest people, was excluded yesterday from government promises to make good next year the 2 per cent shortfall in benefit increases this year.

But Mr. Norman Fowler, Secretary of State for Social Services, left the door open in a statement issued last night.

He said the Government pledge to maintain the value of long-term benefits meant that the shortfall would be made good for pensioners, war pensioners, widows and people reaching the main disability benefit, including attendance allowance, invalidity benefit and non-contributory invalidity benefit.

"We are not able, in present circumstances, to undertake to make good the shortfall for other benefits," he said.

Since the actual benefit levels to be introduced in November, 1982, are not decided until spring, his statement indicates that the Government may think again about restoring at least a 2 per cent cut in value this year.

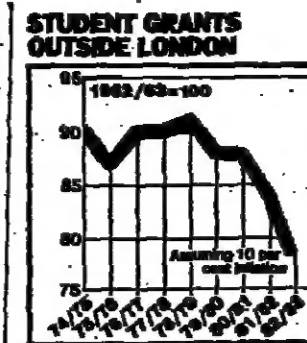
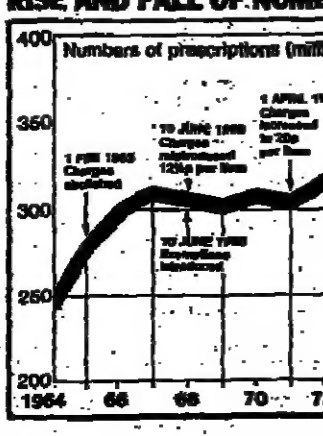
Next November, all benefits will be fully protected against the inflation forecast, pensions and other long-term benefits being increased by 2 per cent above that level. But short-term benefits had already suffered a deliberate decrease of 5 per cent in real terms in November 1980, in anticipation of their becoming taxable next year.

The poverty lobby, the TUC and local authorities protested yesterday that the failure to make good the shortfall would hurt the poorest and break pledges.

Miss Ruth Lister, director of the Child Poverty Action Group, said it was indefensible to refuse to make good the shortfall in the ordinary supplementary benefit rate and in unemployment and related benefits. "This November's cut means a £1 a week reduction for a two-child family and would push the long term unemployed and one million children deeper into poverty."

The TUC said it would press for the shortfall to be made

## RISE AND FALL OF NUMBERS OF PRESCRIPTIONS



## Student grants: Hundreds may have to quit

By Diana Geddes

The National Union of Students predicted yesterday that hundreds of students would be forced by debts and overdrafts to leave their universities and colleges next year because of the serious inadequacy of the student grant.

The Chancellor announced yesterday that the student grant would go up by only 4 per cent next year, 6 per cent less than the Government's forecast for inflation. The increase is expected to bring the total cost for student grants to about £500m in 1982-83.

No allowance for inflation is to be made in either the minimum grant, which will remain at £410, or in the scale of parental contributions. That will mean fewer students will be eligible for the maximum grant, more parents will be expected to pay something towards their child's grant, and those who already contribute will be expected to pay more.

The real value of the student grant is already at its lowest level for more than 20 years. Its value next year will fall even further. The new maximum grant for a student living away from home outside London is £1,235, for those living in London, £1,900, and for those living at home, £1,125. The union had asked for a 17.4 per cent increase.

A proposal by the union's executive, calling for a series of strikes by students next term if the grant increase was less than the rise in prices, will be debated at the union's national conference, which opens in Blackpool tomorrow.

## CHANGES IN DETAIL

The first two tables show how much employees and employers would have to pay per week under the proposed changes. The employers' contributions here include national insurance surcharge (3.5 per cent) and redundancy and maternity pay fund allocation (0.2 per cent).

The third table shows changes in the annual liability of the self-employed.

## NOT CONTRACTED-OUT

ment promises to make good the next year the 2 per cent shortfall in benefit increases this November. But Mr Norman Fowler, Secretary of State for Social Services, left the door open in a statement issued last night.

He said the Government pledged to maintain the value of long-term benefits means that the shortfall would be made good for pensioners, widowers, widows and people receiving the main disability benefits, including attendance allowance, invalidity benefit and non-contributory invalidity benefit.







## Spain's reshuffle fails to calm opposition fears

From Richard Wigg, Madrid, Dec 2

Before Spain's six new ministers in Señor Leopoldo Calvo Sotelo's reshuffled Cabinet were sworn in here this evening the Socialist Opposition issued a challenge to the ruling party to form a new broader-based Government.

Señor Felipe Gonzalez, the opposition leader, called on the Prime Minister to "find a broader majority" in Parliament to ensure the country got through next year firmly defending Spain's liberties.

This was a reference to the coming trial of those responsible for last February's military coup attempt and the efforts of extreme right-wing elements to create a climate favourable to another attempted coup.

Señor Gonzalez claimed that such a Government could tackle the worsening economic crisis manifested by the high unemployment figures.

Señor Gonzalez, who offered Señor Calvo Sotelo a coalition immediately after the coup attempt in February, insisted that nothing could be done without the ruling Centre Democratic Union (UCD) and it is for them to make the first move.

The Opposition leader said: "They will not let themselves be strengthened, we would have liked to strengthen them, but now the only remedy is to find a new formula with the help of the immense majority of Spaniards who want to live in peace and democracy into the next generation."

Señor Gonzalez does not want early elections. Under the constitution, they must be held by early 1983 at the latest.

Señor Calvo Sotelo decided in the Cabinet changes to

drop Señor Jesus Sancho Ror, Minister of Health, as the death toll in the seven-month poisoning cooking oil tragedy climbed to more than 200. Señor Juan Antonio Garcia Diaz, the Economics Minister, has been made one of the two deputy Prime Ministers.

The demand for better consumer protection has been recognized by adding food to the responsibility of the Agriculture Minister, although the consumer affairs groups do not like the move.

The second deputy Prime Minister is Señor Rodolfo Martín Villa, who had been in charge of regional autonomy. He has been given responsibility for political affairs, which means handling the general elections. The Basques and Catalans will be pleased he has surrendered control of the devolution process and this may help their coming closer to Señor Calvo Sotelo.

The full cabinet is as follows: Prime Minister: Leopoldo Calvo Sotelo. Deputy Premiers: Rodolfo Martín Villa, Juan Antonio Garcia Diaz. Foreign Affairs: Jose Pedro Perez Llorca. Defence: Alberto Oliart. Justice: Rfo Calomilla. Education and Science: Federico Mayor Zaragoza. Labour and Social Security: Santiago Rodriguez Miranda. Health and Consumer Affairs: Manuel Nunez. Public Works and Urbanism: Luis Ortiz. Agriculture and Fisheries: Jose Luis Alvarez. Industry and Energy: Ignacio Bayon Martinez. Finance: Jaime Garcia Anoveros. Secretary of the Cabinet: Matias Rodriguez Lizarazu. Culture: Soledad Becerril. Interior: Juan Jose Roson. Transport and Communications: Luis Gamiz. Regional Autonomy: Rafael Ariza Salgado. Assistant to the Premier: Jaime Lamo de Espinosa.

## Gibraltar border may open

From Harry Debelius, Madrid, Dec 2

The border between Gibraltar and Spain may reopen within two to six weeks because of positive results in negotiations.

A spokesman for the Spanish Foreign Ministry said here today that work has been authorized for police and customs buildings and for a car park on the Spanish side just south of La Linea.

He also said that Señor Leopoldo Calvo Sotelo, the

Prime Minister, will visit London on January 8 for talks.

The favourable climate has been created in part by Britain's "very positive attitude" towards Spain's efforts to enter the EEC and Nato, the Foreign Ministry spokesman said.

He said it was likely that the Lisbon agreement, which called for opening the border and for reciprocal treatment for residents on both sides, will be fully applied very shortly.



Polish militiamen keeping spectators at bay outside the fire brigade training college in Warsaw. Paramilitary police and army units stormed the building and ended a sit-in by 340 cadets.

## Reagan meets union leaders

From Nicholas Hirst, Washington, Dec 2

In an attempt to repair strained relations with the trade union movement President Reagan has suggested he may be prepared to relax his tough stance on the dismissed air traffic controllers.

But the White House has emphasized that his fundamental position — that the 11,600 controllers who walked out on illegal strike four months ago should not be allowed to have their jobs back — remains unchanged.

The president, however, repeated today to Mr Lane Kirkland, the president of the AFL-CIO, the American equivalent of the TUC, a suggestion made yesterday that he was reconsidering whether the controllers should, as he originally ordered, be banned from all federal employment for three years. He had no intention of reemploying them in their old jobs despite continuing delays and cutbacks in scheduled flights.

Today, the President was meeting the 35-member executive council of the AFL-CIO, headed by Mr Kirkland.

## Purge on corruption Romanian swindler sentenced to die

From Dossa Trevisan, Bucharest, Dec 2

A Romanian wine merchant has been sentenced to death for a fraud which cost the Government £500,000. He is said to have made a personal fortune of £350,000 out of the swindle.

The harsh sentence and, its publicity are both rare and are clearly intended to act as a deterrent. Mr Gheorghe Stefanescu is being made a public example after his appeal was turned down by the Supreme Court.

The scandal first broke three years ago when more than 100 people were arrested. Several were jailed after it was discovered that wine had been doctored. Mr Stefanescu, the manager of a cooperative wine shop in Bucharest, was a popular figure among wine connoisseurs.

He was accused of rigging alcohol prices over many years and of trafficking in favours. That suggests that people in high places may also have profited from the fraud.

This, however, was not reported at the time, when presumably also he was sentenced to death. The case

was believed to have been dropped, and that the authorities were anxious to hush up the affair.

The Romanian penal code is harsh in punishing embezzlement and corruption and recommends capital punishment if the damages to the state exceed a certain amount.

Confirmation of the death sentence was published prominently in the newspapers, in what is clearly a renewed drive against corruption conducted by President Ceausescu.

The announcement follows last week's Central Committee meeting which purged a number of officials including the Party Secretary and the manager of the coal-mining area who falsified production figures and incurred heavy losses through negligence.

In Romania's extreme hardships, especially over food shortages, bribery seems to be the only way for ordinary people to acquire the basic essentials.

Food shortages are endemic, and particularly grave in the provinces.

## Canadian MPs vote on constitution

From John Best, Ottawa, Dec 2

The Canadian House of Commons was voting today to bring home the Canadian constitution from Britain.

A government sponsored "patriation" resolution, supported by nine of Canada's 10 provinces, was expected to pass easily. After that, the resolution will go to the Senate, where passage is also assured, and then on to Westminster. The constitution, embodied in the 1867 British North America Act is expected to be finally dominated in Canada in early 1982.

About a dozen MPs from all three parties — the governing Liberals, the Conservatives and the New Democrats — were expected to vote against the measure in the Commons.

French-speaking Quebec, with about a quarter of Canada's population of 24 million, is the only province opposing the resolution.

Quebec was one of the eight provinces that successfully opposed the original resolution introduced last year by M Pierre Trudeau, the Prime Minister, which called for unilateral federal patriation of the constitution.

The other seven struck a deal with Mr Trudeau and the

two provinces which already supported him, Ontario and New Brunswick, at a conference in Ottawa on November 5. This resulted in the introduction of a new resolution. In return for accepting the constitutional formula favoured by the provincial premiers, Mr Trudeau was able to salvage the main parts of an entrenched charter of rights which the eight premiers had opposed.

Mr René Lévesque, the Quebec premier, regards the agreement as a sell-out by the English-speaking premiers. He objects primarily to provisions concerning minority language.

Mr Trudeau yesterday sent a message to Mr Lévesque, rejecting his contention that Quebec has a right to veto any new constitution.

In Quebec City, Mr Lévesque yesterday continued his battle against the constitutional resolution. His Government gave notice in the province's National Assembly of an act enabling it to challenge the measure in the courts. The challenge would be made initially in the Quebec Court of Appeal.

## Five killed in attack by Afghan gunships

From Hasan Akhtar, Islamabad, Dec 2

Five Pakistanis were reported killed and three others injured today in what is described as the most serious intrusion by Afghan helicopter gunships into Pakistan since Soviet troops entered Afghanistan two years ago.

An official statement said that two Afghan gunships entered Pakistani airspace over Baluchistan at 9.15 this morning and opened fire on two buses at Inam Bostan, a village 10 miles from Mushki, a town about 50 miles from Quetta along the road into Iran. Five passengers, including a frontier force man, died in the attack and three others were injured.

The statement said that the gunships had also fired rockets at the border post at Inam Bostan about four miles inside Pakistan, but ground fire drove them away.

This latest air violation brings the number of intrusions of Pakistan's airspace to 24 in the past two months. It caused the heaviest loss to life so far.

The Pakistani authorities are lodging a formal protest with the Afghan chargé d'affaires in Islamabad. Officials here continue to exercise utmost restraint in the face of the Afghan provocations.

During an attack last month on border villages, Afghan gunships dropped anti-personnel mines in the North West Frontier area which had exploded and crippled over a dozen Pakistani tribesmen.

The recent increase in air attacks is believed to be designed to discourage the Afghan Mujahideen from launching guerrilla attacks from sanctuaries in Pakistan.

Pakistan has over a 1,000 mile-long border with Afghanistan and it is considered well nigh impossible to maintain a round-the-clock watch against land or air violations.

Mr Sultan Ali Kishmand, the Prime Minister of Afghanistan, has been in Moscow for the past two months undergoing medical treatment. (Michael Binyon writes from Moscow.)

His absence from Kabul prompted speculation in the past week that he had been ousted in renewed factional fighting in the ruling Marxist party.

An Afghan embassy spokesman refused to give further details of Mr Kishmand's illness.

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**BRITISH GAS**



## Secret American report attacks Cuba for spying

From Nicholas Ashford, Washington, Dec 2

The United States has circulated a confidential report among 50 of its allies and other friendly nations detailing what it claims are examples of Cuban "covert activities" in Latin America and the Caribbean.

Among specific allegations contained in the document, the existence of which was first reported in the *Washington Post* today, were a big increase in Cuban influence in Grenada, Cuban plans to control Nicaragua and the provision of military assistance to left-wing insurgents in El Salvador and Guatemala.

The report, which was circulated last month and also presented to a meeting in Brussels of Nato experts on Latin America, is part of a concerted American campaign aimed at alerting the world to what the Reagan Administration regards as Cuban attempts to subvert key countries in the western hemisphere.

In recent weeks top members of the administration have given warnings that the United States might be forced to take action to prevent Cuba from successfully exporting its revolution to other American and Caribbean nations. Exactly what action the United States might take has not been made clear, but American military intervention has not been ruled out.

Cuban activities in the region are being discussed by Mr Alexander Haig, the Secretary of State, during three days of bilateral meetings with foreign ministers of the Organization of American States in St Lucia this week.

## Schmidt to visit Honecker

From Patricia Clough, Bonn, Dec 2

Herr Helmut Schmidt, the West German Chancellor, will visit East Germany from Friday week to Sunday for talks with Herr Erich Honecker, the East German leader, in a secluded lakeside hunting lodge near Berlin.

The visit, discussed in Bonn for years and twice arranged but postponed, will be the first meeting of East and West German leaders on German soil for 11 years.

It comes close after last week's visit to Bonn by President Brezhnev who effectively gave the green light by telling Herr Schmidt that he "would welcome" the meeting.

It seems, in fact, to have been arranged with some haste. As far as can be established, the decision that the East-West relations, the East Germans may have wanted to strike while the iron was still hot.

The meeting was postponed early last year because of the Soviet intervention in Afghanistan, and again this summer because of the critical situation in Poland and Herr Schmidt's fears that it would influence the East German's attitude.

The East Germans may also have wanted to avoid another build-up of expectations and speculation about the visit which marked the previous attempts.

Herr Schmidt himself has warned West Germany not to expect too much from the meeting.

The West Germans do not, in fact, expect tangible results, not even on the burning question of last year's hard currency regulations that have drastically reduced the numbers of West German visitors to the East.

East-West relations and the Geneva negotiations on missiles are expected to be the main themes as Herr Honecker, like the Chancellor, attaches great importance to detente and arms control in Europe.

## Ciskei: Another black speck in the white wonderland

From Michael Hornby, Johannesburg, Dec 2

At midnight tomorrow amid much official pomp and circumstance, Ciskei, a coastal enclave of about 2,200 square miles in the Eastern Cape, will become "independent", bringing to four the number of black tribal homelands of Bantustans to have accepted this status from the South African Government.

As in the cases of Transkei, which was granted self-rule in 1976, and of Bophuthatswana (1977) and Venda (1979), Ciskei's "independence" will be spurned by the entire outside world, where the homelands system is seen as a transparent device for furthering apartheid and thwarting African political aspirations.

The independent ceremonies are even being boycotted by Transkei. It accuses Ciskei and South Africa of "dividing the Xhosa nation".

This week's festivities are a reminder that, whatever the talk of reform, "separate development" with its ultimate goal of carving 10 independent African "nations" out of South Africa's territory, remains the political orthodoxy of the National Party Government.

In its most cynical formulation, and to a large degree in practice, the aim of this policy is to fragment black opposition to white rule, to keep the num-

ber of Africans in the "white" homelands of South Africa to a minimum, and to use the homelands as dumping-grounds for surplus black labour.

That was not, of course, how "grand apartheid" was presented by its founding fathers. The late Dr Hendrik Verwoerd apparently envisaged a racial territorial separation of the races, and even predicted 1978 as the year when blacks would start flowing back to the rural homelands from the "white" cities.

Only a handful of Afrikaner die-hards still cling to that vision which could only have been realized by reversing the historic drift of South Africa's population from the rural areas to the great coastal cities and the mineral-rich Witwatersrand region where industry has always been concentrated.

Today, after 20 years during which millions of people have been uprooted and resettled, at least 9.5 million of South Africa's 19.8 million blacks still live outside the homelands. Some have quasi-permanent status, others are migrant workers on short-term contracts whose families must remain behind in the homelands, and still others are illegal squatters.

Even allowing for much higher expenditure in future

## Seychelles names Briton held in coup plot

By Our Foreign Staff

The Seychelles Government yesterday named two of the five white mercenaries it says it captured during last week's failed coup. A Briton held for being part of the invading force was named as Mr Bernard Carey.

President Albert René said the mercenaries would be brought to trial as soon as inquiries were completed. He said a Seychellois soldier was killed in the attack on the charges would be murder or conspiracy to murder.

In London the Foreign Office announced that the British "Commission" in Victoria's small prison. They were both whites from Zimbabwe and the authorities said two South Africans and a Briton were also held.

Standing in front of his cell, Mr Aubrey Brooks, a stocky, bearded man of 38, said he believed the mercenary force's

mission was to bring back to power the Seychelles' first president, Mr James Mancham, who was overthrown four years ago.

Mr Brooks, who had a bandage around his thigh and hip, when led out of his cell, said: "I received \$1,000 down payment and never met the person who paid us."

"But I believe it was done on behalf of the former President, Mongon, Montson? I am not sure of his name," he said.

Mr Mancham, who was ousted by President René in a coup four years ago, has been named as the man behind the attempted coup.

The other captive mercenary who spoke to the press iden-

tified himself as Mr Roger England, aged 26. Officials said the other men captured were two South Africans, Mr Robert Sims and Mr Anton Ambic.

A further three mercenaries are believed to be still at large on Mahé, the principal island of the Seychelles archipelago, and officials gave their names as Mr Charles Duke of the United States, Mr D. Botes of South Africa, and Mr Kenneth Dalgleish of Britain.

President René, in his first international press conference since the coup attempt, said it had been planned "well in advance."

"We know that Mike Hoare came here about a year ago and made contact with

some people here. Some Seychellois were then sent to South Africa."

The Seychelles President, referring to the release of 39 members of the mercenary force from custody in Pretoria, said: "We are now firmly convinced that the South African Government was involved in this affair."

Reporters crowded on the tiny lawn of the prison were barred from asking further questions. Officials said remnants of the type, left badly burned in an airport tarmac, had been placed together over the past few days and one of the voices was that of Mr Mancham.

## NEWS IN SUMMARY

### Decoy traps Russians in Berlin

Berlin—American and West German officials detained three Soviet officers, a Soviet diplomat and an East German allegedly trying to obtain classified information from an American soldier based in West Berlin, the United States authorities said.

West Berlin state security officials and American military police jointly apprehended them in the Grunewald Forest in West Berlin after the American soldier, with the consent of his superiors, acted as a decoy, a spokesman for the West Berlin United States mission said.

In accordance with the four-power Berlin agreement and after questioning, the spokesman said, the Soviet suspects were handed over to a Soviet diplomat in East Berlin. West Berlin officials held the East German pending further investigation by a local judge. At the same time the United States mission in West Berlin handed the Soviet authorities a formal protest.

### Latin Americans criticize US

Panama City, Dec 2—Fourteen Latin American foreign ministers today declared firm opposition to American economic policies and demanded a better deal from Washington.

At a two-day meeting, the ministers and representatives of 13 other countries in Latin America approved a declaration aimed at increasing their bargaining power with the United States.

The ministers left here soon after the Central American summit in St Lucia, to attend the general assembly of the Organization of American States.

The United States is the main market for Latin American production and raw materials but the region suffers a \$15,000m (£8,200m) trade deficit with America.

In Castries, Mr Peter Josie, the St Lucia Foreign Minister, criticized American human rights policy as one of the most negative aspects of its diplomacy.

Mr Josie, who will preside over the OAS meeting, told a news conference last night that President Reagan's administration was trying to be the bully of the Caribbean and Central America.—Reuter

### Mugabe brother found dead

Salisbury—Mr Albert Mugabe, President of the Zimbabwe Congress of Trade Unions and brother of Mr Robert Mugabe, the Prime Minister, was found dead, fully clothed, in a swimming pool at his Salisbury home.

Police said the only investigation had been opened but it is understood from reliable sources that there are no suspicious circumstances.

The Prime Minister's younger brother was elected to the leadership of the union organization earlier this year in a closely fought election. He had an extensive background in the union movement here and was formerly General Secretary of the United General Workers' Union.

### Jesuits arrested in Shanghai

Hongkong—Chinese police have arrested 11 Jesuits in Shanghai, whose number is estimated at 11, and 10 other Roman Catholics, including priests, reports here said.

All the Jesuits were aged over 50, and served at least 20 years in prisons or labour camps, and were paroled from indefinite sentences in the period of liberalization about three years ago, the reports said.

Chinese Roman Catholics have been reported under increasing pressure since the Pope last June appointed the Cardinal of Shanghai, who had spent 22 years in prison before coming here last year, as Archbishop of Canton.

### Murder charge

Karlsruhe—A Jürgen-Peter Boock was charged with murder in the Bremer-Methof gang killings of two prominent West Germans in 1977. He was alleged to have helped the gang in the abduction and murder of Hans Martin Schleyer, an industrialist, and the killing of Jürgen Ponto, a banker, in a kidnapping attempt.

### 38 sailors missing

Tokyo—Thirty-eight Japanese and South Korean seamen were reported missing after bad weather caused heavy seas around Japan.



Colonel "Mad Mike" Hoare arriving at the Pretoria Magistrates Court yesterday with Mr Peter Duffy and Mr Kenneth Dalgleish.

## Hoare: gentlemanly soldier of fortune

By Anthony Mockler

"Mad Mike" Hoare became something of a household name in the English-speaking countries during the summer and autumn of 1964, when his small group of English and African mercenaries, speaking Swahili, swept across the eastern Congo routing herds of Simbas and rescuing missionaries in the weirdly anachronistic style of a *Boy's Own Paper* adventure story.

Public opinion had condemned mercenaries as paid killers, the dregs drawn from the gutters, when they suddenly reappeared on the world scene, to general consternation.

Mr Hoare's exploits, mercenaries gained an almost professional status and acceptance—at least as a force to be reckoned with.

Born in Dublin, Mr Hoare served in the Ghidella during the war (at least, so it was gen-

erally understood). After the war he emigrated to South Africa.

He first appeared in Katanga in a very minor role in 1961. From then on he was Moshe Tshombe's man.

When Tshombe reappeared on the scene in the summer of 1964 he reappeared. When Tshombe disappeared from the scene 18 months later, the Simba rebellion having been almost miraculously crushed, "the major" or "the colonel", as he was known to his men, also disappeared into what then seemed to be wise and deliberate reticence.

All the more extraordinary, then, that at the advanced age of 60-plus he should seem at last to have justified his sobriquet.

For no one could have been less like the expected roaring, bloodthirsty, armed-to-the-teeth adventurer than the

Mr Hoare whom I met in the Congo in that autumn of 1964. He took me to a Leopoldville night club, talked perhaps over-earnestly of his crusade against communism and for Western values—the Congo was then considered to be South Africa's "front line"—and drank only soft drinks. Small, rather shy, more precise than daring, he gave the impression of a traditional officer and gentleman of the public school type.

He was then both discreet and efficient in his dealings with the South African Government. It is hard to imagine his having acted even now, and even in so comparatively remote a sphere as the Congo, without at least its tacit approval. It is even harder to visualize inefficient planning or the complete botching of a military operation by such a basically cautious and careful man.

## Fierce Knesset criticism of Washington accord on strategic cooperation

From Christopher Walker, Jerusalem, Dec 2

The new memorandum on strategic cooperation between Israel and the United States was subjected to fierce criticism in the Knesset tonight as opposition parties from both left and right launched four motions of confidence against the ruling coalition. They were all defeated.

Many of the speakers were angry that the memorandum appeared to place Israel firmly in the anti-Soviet camp without securing guarantees that America would intervene in the event of future Israeli conflicts with its Arab enemies. There was also concern that it would result in a worsening of the position of Jews trying to leave Russia.

The section of the memorandum which was the main focus of criticism, states: "United States-Israeli strategic cooperation, as set forth in this memorandum, is designed against the threat to peace and security of the region caused by the Soviet Union or Soviet-controlled forces from outside the region introduced into the region."

A sub-clause of the key section explains: "The strategic cooperation between the parties is not directed at any state or group of states within the region. It is intended solely for defensive purposes against the above-mentioned threat."

The memorandum provides for joint naval and air exercises in the eastern Mediterranean, but does not cover two points which have been specifically requested by Israel during the three months of negotiations: the positioning of heavy American weapons on Israeli soil or joint ground manoeuvres in Israel.

In a scathing attack, Mr Abba Eban, a former Labour Foreign Minister, claimed that the terms would not apply even in the case of Arab states operating against Israel on behalf of the Soviet Union. The Americans would only have to turn a blind eye to the reported Soviet-controlled forces such as Cubans or North

Koreans operating in the region.

He pointed out that no agreement had been reached with America on other real issues such as the role of Saudi Arabia, the future of Camp David, and Palestinian autonomy.

Mr Ariel Sharon, the Defence Minister, newly arrived from Washington after cutting short his stay, said the agreement would help strengthen ties between Israel and countries in Africa and Asia concerned about the Soviet threat.

Members of the Opposition, he said, were naive to pretend that Russia was not deeply involved in all the military moves against Israel.

He emphasized the deterrent nature of the agreement and denied that Israeli forces would have to be mobilized for the defence of the Arab states directly related to Israel's defence needs.

The memorandum provided, however, for "a circle of consultation" composed of Arab nations supported by the Soviet Union.

## MAN IN THE NEWS

### Casey clearance 'damns with faint praise'

From Nicholas Hirst, Washington, Dec 2

The Senate intelligence committee today released a six-page report concluding that Mr William Casey is "not unfit" to hold office as director of the Central Intelligence Agency.

But the report on his business and legal affairs, which took four months to complete, is far from flattering and says Mr Casey was "at minimum, unimpressive to detail" particularly in making his financial disclosure on taking public office.

Only one of the 15 members of the intelligence committee, Senator Joseph Biden, Democrat from Delaware, voted against adopting the report, but other Democrats, including Senator Walter Huddleston of Kentucky and Senator Patrick Leahy of Vermont, were sharply critical of the CIA director.

Senator Huddleston said the report was evidence for President Reagan to tell Mr Casey, the President's election campaign manager, to resign, and Senator Leahy said the report was "damning him with faint praise."

Even Senator Harrison Schmitt, Republican for New Mexico, said: "It is safe to say the whole situation is not flattering."

The intelligence committee was concerned that Mr Casey has an insufficient appreciation of the need to provide information on his financial assets to congress but concludes:

"Having reviewed the facts obtained in the course of its four-month investigation, the

committee reaffirms its July 23, 1981 statement that it has been found for concluding that Mr Casey is unfit to hold office as Director of Central Intelligence."

The new criticisms of Mr Casey come at a time when the White House has been put in an embarrassing position as a result of inquiries into gifts received by Mr Casey and his family.

Mr Casey, 57, is a former director of the National Security Agency.

Mr Allen is on voluntary leave of absence. He was cleared yesterday of any wrongdoing in receiving \$1,000 from Japanese journalists, but the Justice Department is continuing to look into gifts of watches and a mistake he revealed he made in making his financial disclosure on taking office.

Mr Casey's "inattentive" committee reaffirms its July 23, 1981 statement that it has been found for concluding that Mr Casey is unfit to hold office as Director of Central Intelligence."

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### Public criticism of Mao guidelines

From David Bonavia, Peking, Dec 2

The intellectual group around Mr Deng Xiaoping, leading Deputy Chairman of the Chinese Communist Party, has launched an important ideological counterattack against leftist trends in the party and the armed forces.

Mr Hu Qiaomu, head of the Academy of Social Sciences and a leading supporter of Mr Deng, has taken the unprecedented step of publicly criticising guidelines for creative intellectuals laid down by the late Chairman Mao Tse-tung in the early 1940s.

Mr Hu, a leading authority on Mao's works, is one of the most respected scholars in China today. Publication of his speech made in August but not disclosed then, is timed to coincide with the current session of the National People's Congress, China's equivalent of a parliament.

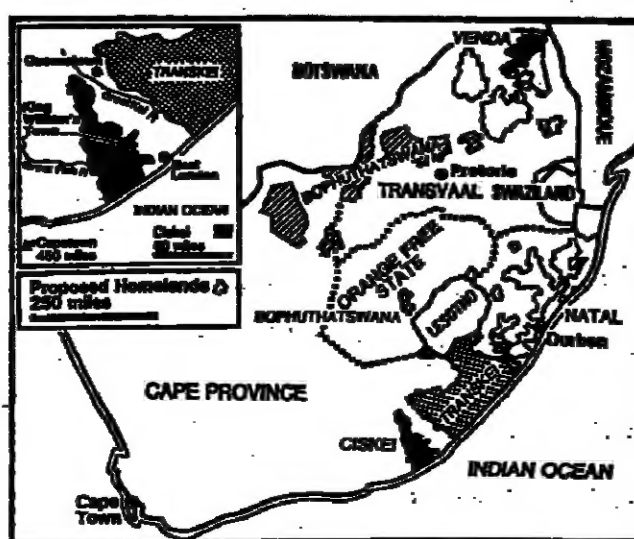
In his speech delivered to the propaganda department of the party Central Committee and published today in the theoretical journal *Red Flag*, Mr Hu said "long-standing practice proves" that certain ideas expounded by Mao in his *Yan'an talks on literature and art* were incorrect.

Mao's talks at the Yan'an headquarters of the Communist Party during the Second World War have been taken as the basis of orthodox literary and art criticism by the Chinese party since then. To see them openly declared as astonishing, Mr Hu condemned "the

theory of subordinating literature and art to politics, absolute separation of political from artistic criteria, and classifying human nature as 'class nature'."

This is a clear repudiation of the Marxist-Leninist theory of art as 'portraying, above all, class conflict in society. It is particularly inimical to the Maoist emphasis on class and class struggle as the chief factors in modern life, already written off by his political successors.

The statement by Mr Hu is likely to touch off bitter controversy within the party and in the armed forces, who have over the past year objected to the recent liberalization of the country's intellectual life.



on rural development, most estimates indicate that by the end of the century the population of the black townships on the fringes of "white" cities will have more than doubled to about 20 million, while the number of urban whites will have risen only from 4 million to 4.8 million. This suggests that the apparently more rational policy of the present Government of accepting that those Africans already employed outside the

are for the most part inherently unemployable. None can survive without heavy South African subsidies.

In recent years, the Government has put more emphasis on turning the homelands into dormitory suburbs from which blacks commute daily to work in the "white" industrial "growth points" located just outside the borders of the tribal reserves. This has done little, however, to check the flow of migrant workers to the "white" cities.

Even if more ready than its predecessors to accommodate Government and industrialists formally to the political goal of eliminating all black South Africans by the legal device of proclaiming all blacks, no matter where they actually live, to be citizens of the tribal homelands as they become independent.

In practice, this objective seems unlikely to be attained. For one thing, Chief Gatsha Buthelezi, the leader of the KwaZulu Bantustan and the most effective black politician outside prison, has made it clear that he will never accept "independence". He regards the homelands system as only a transitional phase leading to a unitary, multi-racial democracy in South Africa.

The homelands have proved quarantined to prevent jobs for more than a small fraction of their resident populations, let alone to draw in Africans from outside. Over-populated, of limited agricultural potential and (Bophuthatswana apart) without mineral wealth, they



# 'Leper' jibe by Samora Machel mars Eanes visit

From Jill Jolliffe, Maputo, Dec 2

President Eanes of Portugal expects to face criticism on his return to Lisbon from Mozambique after an incident which marred an otherwise successful reconciliation with President Samora Machel.

During President Eanes's five-day state visit he awarded President Machel one of Portugal's highest honours, the Grand Sash of the Order of the Infant Henrique. On the eve of his departure for Lusaka the atmosphere was soured by remarks directed at Senhor Andre Goncalves Pereira, the Portuguese Foreign Minister, by the Mozambican leader.

President Machel spoke in flamboyant style for half an hour in response to a toast proposed by President Eanes. He attempted to describe the new relationship in terms of the distinction between the former Portuguese colonial regime and the new order, describing all Portuguese who had served in Mozambique before the revolution as "lepers". He then made some belittling remarks towards Senhor Goncalves Pereira, who had served as an official under the Salazar Government.



President Machel: private apology

The Foreign Minister later protested to President Machel and asked for an apology. He told him he would have left the banquet had the remarks continued. "You would not have left," the President replied, "because I would have arrested you first."

It briefly appeared as though Portuguese Government officials might withdraw from the negotiation of accords then in progress. But the situation was saved by President Eanes, who privately asked President Machel to apologise to the Foreign Minister, which he did.

There has long been a dispute in Lisbon over who should conduct Portuguese diplomacy in Africa, with President Eanes being criticized for exceeding his powers in this area.

## Ne Win demands new law for three citizen classes

From Trevor Fishlock, Rangoon, Dec 2

An instruction by General Ne Win, Burma's ruler, that a new citizenship law should be introduced next year is creating concern that many people could be deprived of their rights.

The measure would affect people with Indian and Chinese blood. To some observers there seems to be no clear reason for its introduction.

General Ne Win's comment at a recent central committee meeting that he did not know why there had been delay over the measure sounded like an instruction to his subordinates to get on with framing it.

In keeping with the opaque nature of Burmese politics and decision-making no one at the moment can see any reason why General Ne Win

should want such a law. On the face of it it seems to be based on prejudice.

He has offered no public explanation. The measure, as it is understood, would seem to create an unnecessary human rights problem that could draw rare criticism for Burma from abroad.

The law would create three classes of citizenship. One would include indigenous people, another, people of mixed (Indian or Chinese) blood, and the third, naturalised citizens.

Some people are already disqualified from standing for elected office. There are about 188,000 elected offices in Burma, from village to state level. It is assumed that the new measure would restrict access to these jobs more severely.



## How to beat the system in best Polish fashion

From Roger Boyes, Warsaw, Dec 2

The first heavy snow of the Polish winter has fallen thick and fast and with it came a number of remarkably candid tips from the official press about how to avoid the gruelling hours of queuing in sub-zero temperatures.

According to the youth weekly *Walka Mlodych*, there is no need to stand in a mile-long line for petrol. Simply buy a jerrycan from a farmer, say you want the petrol for unspecified "agricultural purposes" and go round to the back of the petrol station to collect the fuel.

The harassed attendant has no time to check your credentials, the main point is to look like a convincing peasant.

If your soap ration — one bar every two months — runs out, approach somebody who works on passenger trains travelling abroad. Guards, drivers and sleeping car attendants have access to plentiful supplies of cheap soap, if of poor quality, and are happy to sell the surplus.

hold of sufficient alcohol — also presents little trouble for a man of ingenuity or indeed, for a reader of *Walka Mlodych*.

Sales staff at liquor stores are allowed a certain number of breakages and will, if pressed to accept a generous wad of zlotys, declare vodka bottles officially broken. The unofficially unbroken bottles can then be taken away and emptied at leisure.

Ration-coupon swapping, according to the newspaper, also usefully fills some gaps in the consumer supply chain. One vodka coupon, for example, buys three coffee coupons. Despite the liquor store trick, the odds are stacked in favour of testotesters.

The key, according to the newspaper, is to befriend rather than curse at your local shopkeeper. Cigarette kiosks vendors have little time to check the ration coupons: queues are often 50 to 100 long and snake around whole blocks. So it is a simple matter to smile sweetly, mumble "four packets please" and disappear before the coupons are counted.

## Malta row over barred journalist

From George Sammut Valletta, Dec 2

As the Maltese general election campaign enters its final stages, the Government's expulsion of a West German journalist for allegedly unfair criticism of the way in which the country is run has become a bone of contention.

At the same time an English newsman who arrived in Malta last Sunday was asked by police at the airport whether he represented *The Times* or the BBC. The police explained that they had been asked to report on any representative of the two organisations, presumably because both *The Times* and the BBC have angered Mr Mintoff in recent months with their coverage of Maltese affairs.

At an election rally, Dr Eddie Fenech Adami, the leader of the opposition National Party, has condemned Mr Dom Mintoff, the Prime Minister, for expelling the Rome correspondent of the German television channel ARD last weekend.

## Soviet trial of historian to reopen

By Peter Reddaway

The week-long trial in Leningrad of Mr Arseny Roginsky, the historian has twice been adjourned, and eminent witnesses have endorsed his plea of not guilty. Today, the court is due to reconvene.

Mr Roginsky is accused of gaining access to the secret sections of Soviet libraries by unauthorized means. This charge, which carries a penalty of up to five years in prison, has not apparently been brought in a Soviet court before.

Mr Roginsky belongs to an unofficial group among Soviet historians who work on themes distorted by official scholars or taboo to them. For the past five years this group have been producing the typescript journal *Memory*, which has later been published in book form in the West. Most of the articles in the journal are signed.

Mr Roginsky was arrested in August. When the trial opened on Wednesday last week, he refused to take part in the proceedings.

## Arrigo Levi: A Personal View Geneva missile talks doomed in isolation

The negotiations which started in Geneva this week on "Euromissiles" (or, more correctly, on all the "intermediate range weapons systems") could turn out to be the starting point of a renewed attempt to transform arms control agreements (which never really stopped the arms race) into disarmament agreements.

The reduction in the number of strategic weapons has been for a long time one key aim of President Reagan's military advisers: their main criticism of the Salt 2 agreements was based on the fact that they allowed the Russians too many weapons of this kind. But the interdependence between the various levels of nuclear weapons systems (strategic, intermediate and tactical) is such that you cannot really obtain a genuine reduction at any one of these levels without achieving similar agreements at the other levels.

Since President Reagan definitely wants a reduction in the number of strategic missiles, to be obtained in the coming round of Salt (or Start — Strategic Arms reduction negotiations) we can take seriously his proclaimed aim of a "zero option", or at least of a substantially lower level of intermediate range weapons, for the Geneva talks which have just started.

However, because of the interdependence between the various levels of nuclear armaments, the Geneva talks will never achieve success as an independent exercise. This was correctly pointed out in Mr Eugene Rostow's interview with *The Times* on Tuesday.

Indeed, things are even more complicated than he said: being "intermediate", these weapons are largely interchangeable with shorter range weapons (the so-called "tactical" missiles) as well as with strategic weapons.

This could mean that neither the Geneva talks nor the intermediate range weapons systems, nor the coming negotiations on strategic arms reductions can succeed separately, and that they will need a third simultaneous negotiation on tactical weapons, and, of course, on conventional armaments.

This implies that either we are about to witness an unprecedented, stupendous exercise in multilevel negotiations, or we shall just see

a series of separate failures. In considering the chances of success of the Geneva talks and the main obstacles, everybody starts, quite correctly, by pointing out how difficult it will be to define which weapons must be included in the negotiation.

Which systems are to be considered an essential part of the "theatre" balance of nuclear power? Obviously, the intermediate range missiles. But there are many other systems, mostly aircraft, which have a nuclear "theatre" capability, but which are, at the same time, key factors in the conventional balance of forces.

Beyond this initial difficulty, there are, as we have seen, the many problems arising out of the inevitable interdependence between the various levels of armaments and the various levels of negotiations to be initiated. Finally, there are political problems, which may turn out to be the main obstacle for a successful negotiation.

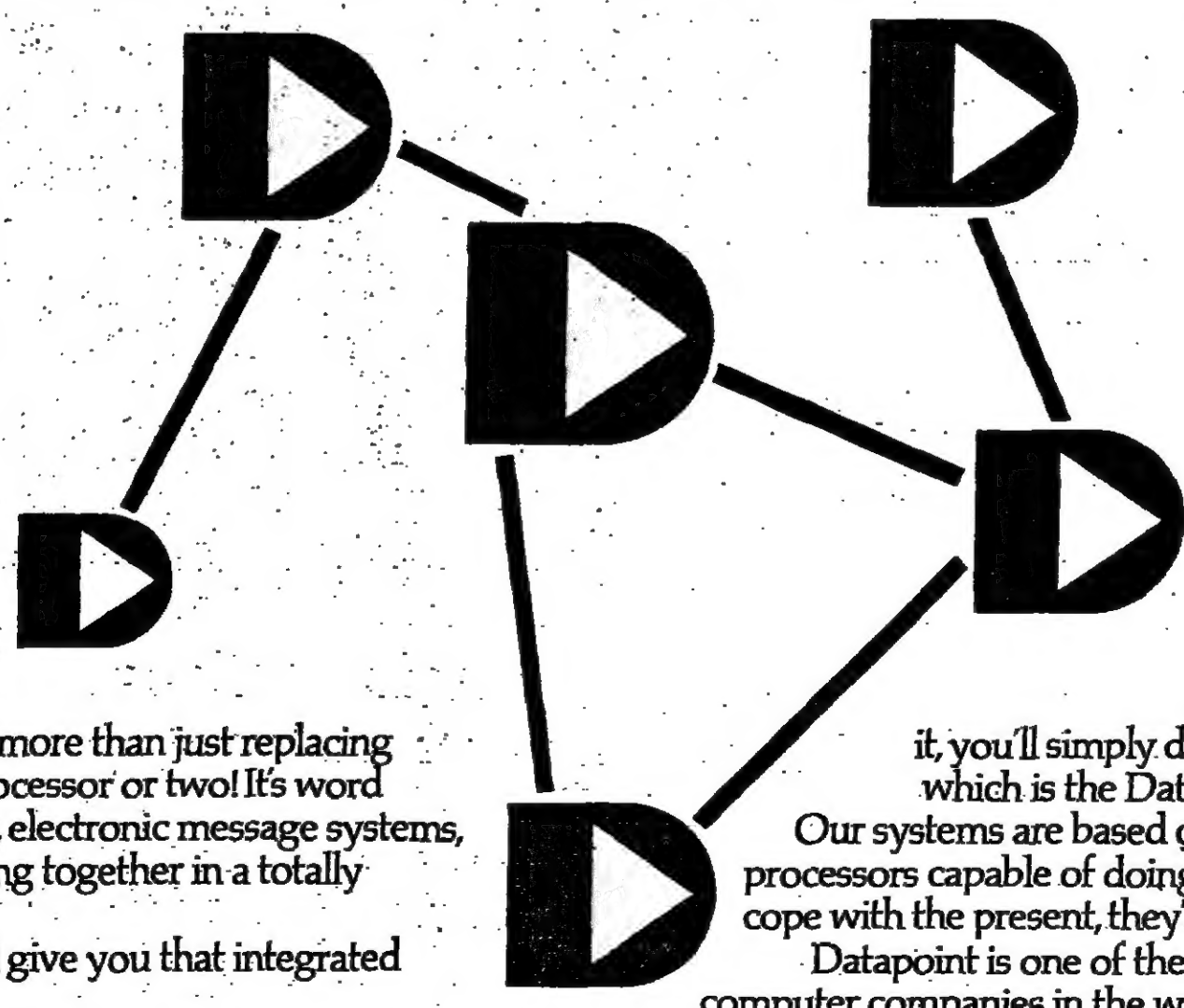
The fact is that there is an annoying inequality in the negotiating positions of the two sides: Mr Paul Nitze will be trying to strike a bargain with Mr Yuli Kvitsinsky, which implies bartering facts with intentions. The Soviet "Euromissiles" are already there, while Nato can only proclaim its determination to acquire similar weapons.

Mr Kvitsinsky can hope that the pacifist movement in Europe will do his job for him. The acquisition by Nato of such weapons could still be stopped without any need for the Russians to give up any weapons in exchange.

Europe, the absent negotiator, may turn out to be the most important. Any success of the pacifist movement would make Mr Nitze's job more difficult, by destroying his credibility.

But if this negotiation fails, the result will not only be that of keeping in existence the frightening array of Soviet "Euromissiles". All the other negotiations, indeed the whole design of achieving some measure of real disarmament, will fail, because America will have to try to reestablish the overall balance of power by attempting to become stronger at all the other levels, where it can act independently of Europe.

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## THE ARTS

Television  
People in action

A resolution by an English parish council urging that cruise missiles be banned may not reverberate at the disarmament talks in Geneva but it does allow those who passed it to go home thinking they have done a good night's work. The message of BBC2's *Grapevine* is that it is better to do something than nothing.

The Community Programme Unit puts much vitality and ingenuity into this series, being very much aware that it has to extend its audience beyond the converted, those directly interested in community work, to those who have problems of one sort or another, which means it has a very large potential audience indeed.

Last night, besides instancing the parish council with an inclination to take on disarmament, it focused on a parish council in Devon, where a constituency is relieved from having to pay rates because the local pub is owned by the council and its profits meet the costs. Such a piece of entrepreneurial activity might cause Ken Livingstone to cast a calculating eye over the hostilities in the metropolitan area, but on the whole I think it unlikely that this ingenious way of relieving ratepayers will spread.

*Grapevine* also looked at some Canuck diesel engine-makers who, faced with unemployment, took over their works and their managing director. He testified that his new state was happier than his old — everybody was so co-operative but lamented the ignorance of banks when approached by would-be co-operators. His, or rather theirs, was doing fairly well, having overcome both the sluggishness of banks and the initial hesitation of suppliers.

We moved on — and *Grapevine* has a cheery, enviable pace — to some housewives who, faced with unemployment, took over their works and their managing director. He testified that his new state was happier than his old — everybody was so co-operative but lamented the ignorance of banks when approached by would-be co-operators. His, or rather theirs, was doing fairly well, having overcome both the sluggishness of banks and the initial hesitation of suppliers.

All these examples of self-help were sandwiched between dynamic performances by the Ekome Dance Group from St Paul's, Bristol, who see their work as educational as well as entertainment. Altogether, not a bad span inside half an hour, and Samuel Smiles would undoubtedly approve.

Jeni Barnett is *Grapevine's* admirable presenter, humorous as well as informative and helping herself with a little punnery and a song.

Dennis Hackett

Wagner, starring Richard Burton as the composer, will start filming next January, with Gemma Craven as Wagner's first wife, Minna. Filming will be on location in east and western Europe with the full co-operation of the Wagner family in Bayreuth, the first time they have sanctioned any dramatic interpretation of this controversial artist's life.

This independent British production will be directed by Tony Palmer, with script by Charles Wood and music conducted by Sir George Solti. London Transport Cultural Productions Ltd have just completed filming the Benjamin Britten opera *Death in Venice*, also directed by Palmer.

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Gertrude Jekyll at 90 and (right) being useful in the Aegean in 1863, drawn by her friend Mary Newton

Gertrude Jekyll was still at work when she died, aged ninety, on December 8, 1932. For the first forty years of her life she was a painter, embroiderer, gilder, silver-worker, photographer, friend of Ruskin, Watts and William Morris, and for the next forty years she was a gardener, working for the most part with Edwin Lutyens. She transformed the idea of the English garden, and her vision still has a profound influence on gardens today. But, less than fifty years after her death, little of her own work remains.

As the Hayward celebrates the centenary of the death of Lutyens, the gardens that contributed so much to his architecture have proved far more evanescent. Lutyens and Jekyll collaborated on more than a hundred gardens, most of which have disappeared or been replanted. Even her drawings were thrown out as waste paper after her death. But they were rescued and bequeathed to the University of California, and are on loan to the Architectural Association until December 12.

Gertrude Jekyll was a pioneer of a new generation of women artists, showing in 1867 in a *Female Artists' Exhibition*. Although her work was described by Ruskin as "very wonderful and interesting", none of it survives.

She trained at the South Kensington School of Art, not without family scenes over her appearance, "as when she came down one morning minus her boots, having thrown them out of the window at the nightgown which kept her awake". She travelled through Europe to Turkey sketching, among others, a brigand who "would only sit if he might hold his sword in his teeth", and an old Turk who wanted to buy her.

She progressed from painting to embroidery, gilding and inlay work, which she practised with considerable skill, working covers for the Duke of Westminster's Eaton Hall, and for other artists like Leighton and Burne-Jones. She had always worn thick glasses, and her eyesight deteriorated painfully until she could see no more than a handspan beyond her face without them. She was warned to stop painting and embroidery, and at just this moment she met Edwin Lutyens, and turned her art to gardening.

She wrote in her first book, *Wood and Garden*: "Planting ground is painting a landscape with living things, and, as I hold that good gardening takes rank within the bounds of the fine arts, so I hold that to plant well needs an artist of no mean capacity, and his difficulties are not slight ones, for his living picture must be right from all points and in all lights."

Edwin Lutyens vividly recalled his first meeting with the "already remarkable Miss Jekyll" in 1889. He was 24, she 46, and the results of that meeting affected English gardens to this day. "She was dressed," he wrote, "in what I learnt later to be her Go-To-Meeting Frock — a bunch of cloaked propriety topped by a black felt hat, turned down in front and up behind, from which sprang alert black cocks' tail feathers curving and ever prancing forwards. Quiet and demure, she spoke no word to me."

But she did invite him to her garden. "I was there on the 10th of June, and was received by a somewhat different person — very much at home, genial and communicative, dressed in a short blue skirt that in no way hid her ankles, and the boots made famous through their portraits by William Nicholson."

She and Lutyens were united in their ideas on natural materials, the use of stone and wood and brick, their respect for the Arts and Crafts movement, their philosophy of design. Miss Jekyll's yew walls, pergolas, waterfalls and steps maintain the balance between enhancing and obscuring Lutyens's architecture.

I spent six years of schooling in the extensive Jekyll garden at Temple Dinsley, a modest Georgian house massively extended by Lutyens in 1909. Even filled with

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## Gardens of the memory

Gertrude Jekyll, working with Lutyens, transformed the idea of the English garden, but examples of her work, here described by Stacy Marking, take a lot of finding.



Gertrude Jekyll at 90 and (right) being useful in the Aegean in 1863, drawn by her friend Mary Newton

Gertrude Jekyll was still at work when she died, aged ninety, on December 8, 1932. For the first forty years of her life she was a painter, embroiderer, gilder, silver-worker, photographer, friend of Ruskin, Watts and William Morris, and for the next forty years she was a gardener, working for the most part with Edwin Lutyens. She transformed the idea of the English garden, and her vision still has a profound influence on gardens today. But, less than fifty years after her death, little of her own work remains.

As the Hayward celebrates the centenary of the death of Lutyens, the gardens that contributed so much to his architecture have proved far more evanescent. Lutyens and Jekyll collaborated on more than a hundred gardens, most of which have disappeared or been replanted. Even her drawings were thrown out as waste paper after her death. But they were rescued and bequeathed to the University of California, and are on loan to the Architectural Association until December 12.

Gertrude Jekyll was a pioneer of a new generation of women artists, showing in 1867 in a *Female Artists' Exhibition*. Although her work was described by Ruskin as "very wonderful and interesting", none of it survives.

She trained at the South Kensington School of Art, not without family scenes over her appearance, "as when she came down one morning minus her boots, having thrown them out of the window at the nightgown which kept her awake". She travelled through Europe to Turkey sketching, among others, a brigand who "would only sit if he might hold his sword in his teeth", and an old Turk who wanted to buy her.

She progressed from painting to embroidery, gilding and inlay work, which she practised with considerable skill, working covers for the Duke of Westminster's Eaton Hall, and for other artists like Leighton and Burne-Jones. She had always worn thick glasses, and her eyesight deteriorated painfully until she could see no more than a handspan beyond her face without them. She was warned to stop painting and embroidery, and at just this moment she met Edwin Lutyens, and turned her art to gardening.

She wrote in her first book, *Wood and Garden*: "Planting ground is painting a landscape with living things, and, as I hold that good gardening takes rank within the bounds of the fine arts, so I hold that to plant well needs an artist of no mean capacity, and his difficulties are not slight ones, for his living picture must be right from all points and in all lights."

Edwin Lutyens vividly recalled his first meeting with the "already remarkable Miss Jekyll" in 1889. He was 24, she 46, and the results of that meeting affected English gardens to this day. "She was dressed," he wrote, "in what I learnt later to be her Go-To-Meeting Frock — a bunch of cloaked propriety topped by a black felt hat, turned down in front and up behind, from which sprang alert black cocks' tail feathers curving and ever prancing forwards. Quiet and demure, she spoke no word to me."

But she did invite him to her garden. "I was there on the 10th of June, and was received by a somewhat different person — very much at home, genial and communicative, dressed in a short blue skirt that in no way hid her ankles, and the boots made famous through their portraits by William Nicholson."

She and Lutyens were united in their ideas on natural materials, the use of stone and wood and brick, their respect for the Arts and Crafts movement, their philosophy of design. Miss Jekyll's yew walls, pergolas, waterfalls and steps maintain the balance between enhancing and obscuring Lutyens's architecture.

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## Paperback fiction

## Confident picture of neurotic illusion

*Rhine Journey* by Ann Schlee (Penguin, £2.25)

*The Beggar Maid: Stories of Flo and Rose*, by Alice Munro (King Penguin, £2.25)

*Winter Doves*, by David Cook (King Penguin, £1.95)

As the nineteenth century in Britain is entering its second, sabre-rattling half, the Morrisons — the parson, the parson's wife, his daughter and sister Charlotte — are taking a paddle-steamer holiday along the Rhine. The parson's godliness is dominating and also, not very convincingly, this — strongly evangelical in tendency. His wife is selfish, self-indulgent and something of a saboteur. In the case of Ellie, their well-regulated daughter, the calls of the flesh are beginning to sound loud. Behind them Charlotte trails, preoccupied and reluctantly obedient. She is neurotic, sex-starved, a woman approaching middle life who confuses appearance with reality and flees from both.

Poor Charlotte. Mrs Schlee is primarily concerned with this wrecked woman who becomes obsessed by Edward Newman, a fellow passenger on the steamer who turns out in the end to be not wholly the tourist he at first seems. Charlotte sees in him a heart-stopping likeness to a man who 20 years before held her momentarily in his arms as he helped her dismount from a horse.

This Newman haunts her. He is a male predator. She sees him talking to a strange woman seated in a park in Cologne, and the strange woman is holding her hands beseechingly up to him. Charlotte hurries back and takes to her hotel bed; it is all too much for her.

Into this quiet narrative of near-dementia Mrs Schlee inserts a tidy and sufficient plot. Thwarted revolutionaries from 1848 are trying to follow Karl Marx to England and that haven of secure capital, the Reading Room of the British Museum. But for this "passports are needed, and Edward Newman's manoeuvrings, so Memento in Charlotte's clouded, overheard imagination, are concerned with the distribution of false ones.

The whole thing is tight, controlled and persuasively done. Just occasionally you are tempted to ask: does this savour too much of pastiche? Even more occasionally you feel the prose dialogue false. "There's no need to fuss," she says only to get a reaction out of you — this is not quite the way they talked at (say) the Great Exhibition of 1851 when a lady, fanned, but these are small flaws in the admirable.

It is a brilliant book — especially "Wild Swans", in which Rose, still young but less and less naive, takes a train to Toronto. Beside her sits a minister of the United Church whose hand, beneath his newspaper, strays to Rose's skirt, as the passing scenery (which Rose observes with increasing intensity) is transformed into a reflection of her surreptitious climax. Powerfully poised and very funny.

Winter Doves finds Walter (the central character of David Cook's earlier prizewinning novel *Walter*) in his nineteenth year in a mental hospital, entranced by June, an unsuccessful suicide, who has just arrived at the Mother and Baby unit. It is a clever and moving double portrait, built in detail like *The Beggar Maid*. But Cook's writing, unlike Munro's, spills over into caricature in the second half of the novel, when June and Walter are down-and-out in London having fled "the hospital".

The inept, trendy Samaritan, the golden-hearted tramp, the corrupt politician and the sadistic teenager mark the final chapters as does Walter's unlikely escape from death, through the mediation of a helpless, half-plucked pigeon.

David Williams

*The Beggar Maid: Stories of Flo and Rose*, by Alice Munro (King Penguin, £2.25)

Rose grows up in West Ham, on the wrong side of the river, where the social structure extends from foundry workers to "the large improvident families of casual bootleggers and prostitutes" and "unsuccessful thieves". In her wild and grotesque school, where the teacher takes snuff and at recess locks herself indoors for safety, it is sport to watch Shortie McGill trap and rape his smugling, half-wit sister at the entrance to the boys' toilet, while the big boys crowd around, hollering encouragement. Rose learns how to manage the big fights by making allies of her closest neighbours, so that she is in less danger walking home. She is not miserable, dedicated to survival, no matter with what cravenness and caution, what shocks and forebodings, is not the same as being miserable. It is too interesting.

When she is old enough to write the entrance exam, Rose crosses the river to New Hazards, the sole representative of her ghetto. A dashing young teacher in a red suit gives the class a nutritional test: what have they all had for breakfast? Other pupils have had bacon and eggs, waffles, even orange juice — a far cry from Rose's tea and porridge. Desperately and accurately, she brags: "Half a grapefruit." Nobody else has thought of that. The effect, she believes, is superb. Later her schoolmates taunt her with the phrase, half-a-grapefruit, as she crosses the bridge for home.

The Canadian Alice Munro has built a novel of short stories, in which the main events and currents of one woman's life are merely sketched, by tiny details, oblique references and bizarre anecdotes. Yet Rose, the poor girl who wins a scholarship and makes good after a fashion, emerges in full strength, with all her fears and aspirations, loves and indiscretions. Her mother Flo is conveyed with such fine complexity that I am at a loss for words that will sum her up. Flo is Flo, surprising, endearing, and uncompassionate, from her first unresolvable threat to her last feeble concession.

It is a brilliant book — especially "Wild Swans", in which Rose, still young but less and less naive, takes a train to Toronto. Beside her sits a minister of the United Church whose hand, beneath his newspaper, strays to Rose's skirt, as the passing scenery (which Rose observes with increasing intensity) is transformed into a reflection of her surreptitious climax. Powerfully poised and very funny.

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Anna Coote

Dance  
Firecracker of a Kate

## The Taming of the Shrew

## Hippodrome, Birmingham

Because of injuries to several of their own dancers, Sadler's Wells Royal Ballet have invited a guest to play Cranko's Shrew on their present tour. She is Marielena Mencia, Cuban by birth, educated in Miami. Some readers may remember her as a soloist with Ballet International de Caracas at Sadler's Wells in 1978, and now at 21 she is a ballerina in Munich.

The first impression she makes as Kate is of a real firecracker of technique. Her jump is not particularly high, but it is light and unforced, and she propels herself forward as if fired from a gun. In solos and duets, every movement is exact, trust and accomplished with an illusion of absolute ease.

Her playing of the role has

a lot in common with Marcia Haydee, its creator, especially at first in the thoroughness with which she torments her sister Bianca. Her face mirrors her defensiveness and anger so vividly that, in spite of her big dark eyes, there is a temptation to search for polite expressions like *jolie-laide* to describe her.

It is those eyes that give away her secret; exceptionally wary when Petruchio first treats her gently, they begin to glow as she admits to herself the possibility of love; and once the couple are reconciled, she at last allows the audience to see that she is a beautiful woman as well as a fine dance-actress.

Alain Dubreuil was her Petruchio in Birmingham on Tuesday. For the roles, he has to rely on vigour as much as virtuosity nowadays, but they succeed very well on those terms because he has a rough, manly sense of humour that suits the role perfectly. Also, he is a paragon in the duets; their

farical wit depends on absolute confidence between the partners, and they obviously achieved it.

Mencia fits so well into the production and the company that it would be a pleasure to see her back by arrangement rather than necessity, with her dancer-husband, perhaps, whose popularity in Munich is as high as hers. In fact, now that the Sadler's Wells company has a wide-ranging repertory, it would be worth planning to invite guest stars regularly, not only in London but on tour, and preferably on an exchange basis.

Now that many provincial theatres have been refurbished (Birmingham Hippodrome this week, Manchester Palace last week, are good examples) touring conditions need no apology. And, incidentally, Tuesday's audience demonstrated that Birmingham's ballet subscription scheme has proved the existence of a real demand outside London.

John Percival

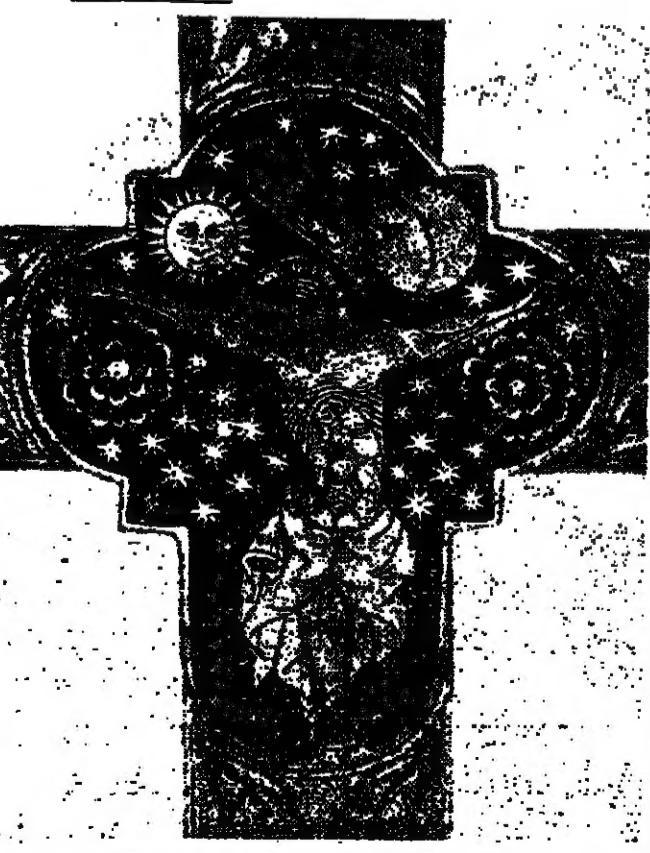
## Galleries

## Medieval Limoges

## British Museum

We tend to suppose that any really splendid collection — must have been founded at least 50 years ago, for how otherwise would even the very rich be able to afford it, or for that matter find enough first-rate material still unscanned up by museums? The Keir Collection of medieval enamels is living proof that such assumptions are too hasty. In the early 1950s Ernst and Martha Kofler-Truniger of Lucerne conceived a passionate interest in the subject and within two decades had put together a collection virtually unrivalled in private hands. In 1971 the whole collection was bought by an anonymous (presumably British) collector, who named it the Keir Collection and has continued to add to it since. Fifty-five prime pieces from it, nearly all Limoges, are on loan to the British Museum until January 30.

The first thing which strikes one about these small pieces is their enormous richness and intricacy: every square inch of the surface is elaborately patterned, especially in the earlier pieces, which date from the late twelfth century. Here the coloured enamel is in general reserved for the figures of Christ, the saints and angels, while the backgrounds are incised with complex patterns somewhat suggestive of the Celtic. Later, colour takes over the background, the general effect being reversed so that it is the figures which are left uncoloured, their form being articulated by incised lines indicating drapery. This remains the norm until the



Enamelled altar-cross, c. 1330-50

end of the fourteenth century.

Essentially the art is as remote and hieratic as Byzantine mosaics, except that its scale makes it seem more approachable, almost domestic. The pieces in the collection are almost all of religious inspiration, and even when they do not seem to have any direct religious significance, as with the Tuscan belt with animal figures on the medallions, the parallels which present themselves are with religious iconography. A lot of the

pieces shown are plaques with scenes from the Bible, requiring some effort to reconstruct their original order and use. But they require no great effort to enjoy in themselves, giving us as they do an immediate insight into the medieval view of the world and a handy compendium of gothic styles. And there is undoubtedly something appealing about a collection of such value and beauty which could be packed, if unceremoniously, in one large suitcase.

John Russell Taylor

Theatre  
Communal vigour

## The Poor Man's Friend

## Bridport

Set up in 1979 by Ann Jellicoe, the Coleway Theatre Trust is an itinerant outfit covering the Dorset/Devon borderland and moving each year to a different town. It is a saturation exercise. The annual show is a researched piece on the town's history, professionally directed and stage-managed, and involving a mass company of local actors. The aim is to work with the whole community and leave it better equipped to develop future work of its own.

This year it is the turn of Bridport, famed for its ropemaking and not much else apart from a Regency playhouse called Doctor Roberts, who made a fortune from the patent medicine from which Howard Barker's play takes its title. Like Miss Jellicoe's *The Tide* (last year's play for Dorset), *The Poor Man's Friend* is woven together from two strands of town history against a general background of post-Napoleonic poverty. But it is not a formula piece. Mr Barker has asked himself what the title means, and discovered that it applies more to rope than to ointment. And the route he takes towards this conclusion turns his play into something more than a fine local pageant piece.

Staged in promenade style in the hall of a comprehensive school, Miss Jellicoe's production opens as a mass civic spectacle from which isolated figures soon begin to

detach themselves: the officious town Recorder, a taciturn schoolboy called Sylvester, Vanstone, a lover with something to hide, and the put-up "King of Bridport", Doctor Roberts, whose instant response to any woman who dares approach him is to bark: "No madam, I'm not the marrying sort."

Amid scenes of ropemaking, children's games, rich-literate processions to the doctor's front door, a purposeful action comes gradually into focus. Sylvester, found guilty of arson, is condemned to death and meets his hangman in prison. It is the parish, Vanstone, who sets out gently to make the boy's death happier than his life. What the play does, in short, is to project the twin local elements of quack palliatives and authentic charity onto the scene of nineteenth-century history.

The play is also full of artful details that forestall melodramatic judgments on any character; and these are zestfully picked up by Miss Jellicoe's laughing judges ("Who has the cap? I was only wearing it on Tuesday"), town officials, and an extremely businesslike young witch who raises awful spectres of what respectable Bridportians call "The French Wind." Meanwhile, the production joyously fulfils its basic task as a communal event, with swift crowds, full-throated choruses and perfectly staged little scenes cropping up all over the place. Next year, Sherborne.

Irving Wardle

## Magic challenge

## Days Here So Dark

## Tricycle

Bunny Reed, whom I last saw on stage as a raw onion in Ken Campbell's 24-hour production of *The Wasp*, first appears in Terry Johnson's new play at the Tricycle as a dead Viking chieftain. With his body tied to a skimpily funeral pyre on a barren Scottish island, his blood is being drained to make a drink for his Viking successor, and since an invasion of seals is distracting the other Vikings, while the new captain is distracted by the young island woman who murdered Mr Reed, his body never gets the religious rites and revenge killing which would put his spirit to rest.

A thousand years later, in what we might call the 1970s, the native island population is down to 18 — actually 19 — at a moment, until childbirth makes its cost in maternal life, Mr Reed is back, as a story-telling elder reputed to keep the bones of a Viking in his croft; and modern islanders who cannot even weave Harris tweed to satisfaction, are charged mystically to reconstruct the events of antiquity, against a

backdrop of a takeover by Her Majesty's military forces.

Real magic and the purer tales of wonder are probably the hardest illusion to achieve on stage



NEW BOOKS

## Married monk: Flesh and spirit

Eric Gill  
By Malcolm Yorke  
(Constable, £12.50)

Eric Gill, mallet in hand, suspended half-way up the scaffolding of his high-length tunic, knee-socks and a curious sort of beret, more a bath-cap than a beret (possibly elasticated?), was a very potent image of the early 1930s. The British public loves a man who works hard, and Eric Gill, a sculptor, photographer by all the daily papers, became almost a folk-hero figure of the time, familiarly known as "The Married Monk", a nickname which, in its alliterative coyness, takes one back to Edward Carpenter, "The Saint in Sandals", a popular eccentric Gill in many ways resembles: the British always tend to domesticate iconoclasts, to make them safe and homely, portable and pocket-size. There was, too, that frightful flurry round the genitals of Adel, which the BBC Governors had judged as too enormous.

This fracas was of course an endless source of fascination to the Daily Mail mentality which Gill so much despised. Yet was the British public altogether off the mark? Readers of the Daily Mail, in spite of certain failings bemoaned by Eric Gill, were not without a certain immunity to platitudinous and (almost worst of all) unbridled use of custard powder — when it came to monks and marriage were not absolutely stupid. Indeed they faced the problem which Gill's clever friends all side-stepped. For there was surely something, to say the least, peculiar about a man embedded in the spiritual life, a convert to Catholicism after

marriage — and later a Dominican Tertiary, who yet, in art and life, advocated copulation with such conviction and such glorious abandon.

Most of the books so far written about Gill, as Dr Malcolm Yorke points out in the Preface to his excellent, new (and very fleshy) study, have been, if not by friends of Gill at least affectionate, indeed almost all of them have been by fellow-Catholics. Though in fairness he should have made a definite exception of Robert Harris, whose masterly analysis of Gill's letters forms and type-faces, it is certainly true that the literature relating to Gill has up to now been mainly superior hagiography. And Gill's confessions have most noticeably played down the eroticism. In this I do not think that one can altogether blame them. Reynier Hepburn, for instance, when he went to visit Gill at Pigotts near High Wycombe was shown, in the shed beyond Gill's studio, an ornate Virgin and Child roughed out to stone. "Man's proudest ornament", said Gill, and touched part of the standing Christ-Child above the Virgin's elongated hand on his thigh. "After all, since in his physical nature he was every such a man, Jesus must have had proper genitals". Oh goodness. No wonder Gill's friends often gulp and look the other way.

Dr Yorke, an academic and non-Catholic though a painter and wood-carver, is made of sterner stuff, and for the first time he has attempted a thoroughgoing analysis of the erotic content of Gill's work. He does not see this as an aberration, far less as an irrelevance, but something very central, and he com-



ments that one reason for Gill's constant intellectual stirrings and strivings was his craving to find a strong doctrinal justification for his own strong, erotic feelings and actions. The Catholic Church in some ways reassured him: he was very keen on quoting his great friend the Rev. Desmond Chute's obliging aphorism "If naked bodies can arouse a hell-bunger, let us, they say, and do kindly, for heaven. May God bring us thither". Yes indeed. But it had to be admitted, by Gill as much as anyone, that the cell of good living, he was seeking to establish in what he regarded as the chaos of the world had its own built-in chaos, its major perturbations. Such chaos was not the merely physical, the nagging disadvantages which

seem to have recurred whenever the Gills settled: smoking fires and draughty rooms, and often sub-monastic menus, water frozen in the washbasins, the paper in the bedroom which the Gills gave to John Rothstein leaning crazily, he said, from all four walls. There were also countless spiritual muddles and disorders in the life of Eric Gill, and it was his almost interminable struggle, his intense strain at fusing the erotic and divine, recounted by Dr Yorke in most absorbing detail, which throws light on the extraordinary tensions in his work.

"If All Goes Together", as Eric Gill entitled one of his more tiresomely opinionated essays, and certainly his concept of human sexuality as God's own "right and proper Naughtiness of life"

gave Gill's life and work a particular coherence, or rather a firm framework of inherent contradictions, which distinguishes Gill from Augustus John, for instance, whose art was non-erotic although his life was lewd; or from the artist's curiosity, a jockeying and pranking, which led him to ask questions which other people balked at, not out of prudence but just because he was inquisitive. How big? How long? How often? One way or another as Gill accurately comments, thoughts of sex will occupy a good many of the interstices between man's waking hours. Is it the same for women? Rather a good question, but, one that people rarely ask.

Fiona MacCarthy

## Art over government

Indian Summer  
Lutyens, Baker and Imperial Delhi  
By Robert Grant Irving  
(Yale, £20)

"Tiger" Clemenceau, visiting India in 1920, inspected the several ruined capitals of the Delhi plain and then cast a mordant eye upon their latest successor, the uncompleted British imperial capital of New Delhi. "This", he pronounced, "will be the finest ruin of them all".

It hasn't happened yet, but still it is true that the city Edwin Lutyens and Herbert Baker created around Raisina Hill already has an interest as much historical, even archaeological, as architectural. Gandhi called it a white elephant, Nehru mocked the "pompous utterances and vulgar ostentation" that it embodied, and the tide of history itself left its egregious allegories high and dry almost as soon as it was finished. "Liberty does not descend to a people", said one of its more famous texts, "a people must raise itself to liberty" — and hardly was the aphorism chiselled than Liberty came willy-nilly.

This consummate irony only compounds the interest of the place, and gives it an extraordinary allure. Robert Grant Irving is certainly not impervious to it, but his sumptuous survey of New Delhi, illustrated largely with his own splendid photographs, is nevertheless primarily an architectural assessment. He has traced the story of the new capital from its beginnings, at the Delhi Durbar of 1911, to the end of British power in India, and he has meticulously explored all the vicissitudes, the bickers, the snags, the changes of plan that be-

devilled the project down the years, from the sudden realignment of the whole conception in 1912 to Lutyens' famous "Bakerloo", the misunderstanding which ruined the grandest of all his grand vistas.

Mr Grant is learned without being daunting, and if he has to work hard sometimes to give his writing sparkle, his fine enthusiasm illuminates the book throughout. Despite his sub-title he covers more than Baker's and Lutyens' contributions to New Delhi, usefully discussing too the work of subsidiary architects R. I. Russell's Connaught Place, W. H. Nicholls' bungalows, H. A. N. Medd's dignified Anglican Cathedral, above all A. G. Shoomsmith's astonishing Garrison Church, which he bravely calls "the most remarkable church in India".

I can hardly fault these excellent and most enjoyable architectural analyses, but Mr Irving's historical or aesthetic interpretations are another matter. Susceptible as he evidently is to the grandeur of the British imperial presence, and even a little perhaps to that vulgar ostentation, I think he under-

plays the essential dichotomy of New Delhi — the imaginative gulf that lay between Lutyens, whose art was self-sufficient, and Baker, whose art was all too often "art for Empire's sake" (a quip, incidentally, which Mr Irving seems to think his own, but which I remember reading in someone else's book at least a decade ago).

It is this division, in my view, which caps the ironies of New Delhi: for while Baker was building his Secretariats and Council Chamber explicitly as celebrations of Empire, Lutyens' Vice-roy's House, the fulcrum of the whole design, was simply Palatialism incarnate — adjusted of course to purpose and setting, but still much more a terrific artistic abstraction than an instrument of policy. Baker after all was an imperialist architect, Rhodes' favourite, creation of loyal monuments in many parts of the empire; Lutyens was an architect without ideology, ready to build a palace anywhere.

Mr Irving recognizes the majestic superiority of Lutyens' work — who could fail to? — but regards the whole of New Delhi, more or less as a single testimony to the imperial idea. I think this misses the ultimate symbolism of this symbol-laden city, and the happiest for if New Delhi represents anything permanent, it is really the God-given supremacy of art over government. When this most ambitious construction of the Raj does fall into ruin, as one day it must, the sighs may look with elaborate halls of authority, as relics of a forgotten hubris, but they will marvel at Lutyens' great house as a work of timeless genius.

Jan Morris

## Locked-up wit

Saki  
By A. J. Langguth  
(Hamish Hamilton, £12.50)

From France, in June 1916, five months before a sniper shot him dead, Saki wrote to his closest friend, Roy Reynolds, saying that after the war he could never return to the old London life. Would Reynolds sound the possibilities of buying land in Siberia? There'd be farming and hunting there: the place to live. This strange request brings us as close as we are likely to get to the heart of a man who knew more surely than most how to keep his secrets.

He was, like Kipling, one of the Empire's orphans. His mother died when he was scarcely old enough to remember her. His father, an officer in the Burma Military Police, returned to Akyab where Saki had been born in 1876, leaving his family of three to be looked after by two Devonshire aunts. The younger of these, ferocious and sex-starved, ruled and terrorized. Saki's defence against this was to become withdrawn in the quietest way. His later homosexuality became established and irreversible.

At age 23 or so he followed his father into the Burma Police, and "animals, true ones, were the chief compensation for his desolation". Once his father had retired

though, the gifted son was given the chance to follow his bent, wrote a book about the life of the Russian Empire, dressed well, frequented goodish London clubs, and showed off a neo-Wildean talent for epigram in the papers.

Saki's way of keeping a tight clamp on his own emotions, with the destruction of all his papers at his death by his sister Ethel, combined to make the task of any biographer extraordinarily difficult. Mr Langguth relies upon extensive quotation from the stories and adds at the end six unpublished ones which show Saki sticking determinedly to the recipe he has mastered. He makes too much of Saki the epigrammatist. "To be clever in the afternoon argues that one is dining nowhere in the evening" isn't more than Wilde gone to seed and shooting up like a boiled lettuce. On the other hand, the grim piece like "Sredni Vashar", isn't it worth dwelling on long enough: it provides us with the nearest we'll ever get to a key to that locked-up man Hector Hugh Munro the nearest fictional key, that is. The men of the 22nd Royal Fusiliers, if any still remain alive, would doubtless testify to important matters besides: that he was a brave man, and unself-seeking.

David Williams

## Eagle-eyed view

The Greeks and their Heritages  
By Arnold Toynbee  
(Oxford, £12.50)

Not many professional historians in these worm's-eye-viewing days are eagle-eyed enough to tackle forty centuries of history in a book. Correction: I can think of only one. Arnold Toynbee's last work surveys the Greeks' changing perceptions of their past, beginning with the attitude of the Mycenaeans to their Hellenic ancestors, and working its way majestically through the Hellenic Ancient Greeks and the Byzantines to our modern Greeks. As you would expect from Toynbee, it is a work of sweeping generalisation and vast erudition, not only about Greeks of all ages, but about Western civilisation generally. You have to ride along with the metaphysics about karma and the cyclical crisis and troughs of civilisations in order to catch sight of the new perspectives of our past.

One of the things that Toynbee is saying is that all history is contemporary history. We create our own ideas of our past, and our adulation, or indifference, or irreverence for it affects the way we live now. The Greeks have longer memories of their pasts than any other people, apart from the Chinese and the Jews, who both

also distort them. And at different times and in different ways they have been haunted by an idealised vision of a golden classical age of Greek history.

We are all agreed, are we not, that Athenians in the fifth and fourth centuries BC produced literature, philosophy, architecture, and art that were unquestionably great. But was fifth century Athens really such a great place to live in? Men may be the measure of all things, but literature certainly is not. Toynbee argues vigorously that it was a hell-hole of political factionalism and

fratricidal wars. Instead of looking back with nostalgia to the Periclean Age, subsequent Greeks should have thanked their lucky stars for the peace of Philip, or Rome, or Byzantium, or Papandreou.

Toynbee deals magisterially with the language question: the fallacy that the language in which a great literature has been written is in itself great, and pure, and sublime. He argues that excessive reverence for the Attic dialect of the golden age stifled the creation of an independent Byzantine literature, and has inhibited modern Greeks down to their latest lot of Colonels, who banned the use of demotic in schools. It is a book as crammed with original and quirky ideas as a pomegranate with seeds, from the Hellenes' starry-eyed view of their war-torn ancestors (brought down to earth by modern archaeology) to the relief of rampaging with Dionysos for bored women, and from the Odyssean qualities of modern Greek ship-owners to the reasons for the modern sprawl of octopus Athens. You don't have to agree with all the ideas. You would be pretty strange if you did. But the sage's last book, completed shortly before his final illness, is, as usual, a stimulus to thought, and to pleasure.

Philip Howard



Professor Arnold Toynbee in the Library of Chatham House

## Fiction

The Royal Game and other stories  
By Stefan Zweig  
(Corgi, £6.95)

The violence in Rudora Welty's world springs from motives which her characters often do not understand themselves. Poor, pregnant Marjorie in "Flowers for Marjorie" is soft and reproachful and tender; ordinary and sandy-haired is her unemployed man, for whom time stops when he puts a knife under her ribs. In his thoughts he had wished to tear the yellow pangs from her buttocks; murder takes him by surprise. R. J. Bowman, a travelling salesman in Mississippi hill country, is drawn to an old woman in a simple hut by some power he himself feels is mysterious. "I have been sick and I found out then, only then, how lonely I am", he thinks to himself. But the warmth he finds in the simple hut turns out to be the ordinary human warmth of marriage and homely food; and when he runs away from it, cheated, all that is waiting for him is death.

A great many ways of dying are explored in these stories. One of the most startling tales (recent, and unpublished) exposes the chill, hopeless egotism of an

assassin, maddened by resentment of black claims for emancipation, who returns home after shooting a much-photographed liberal to find his wife still treats him with contempt. The vitality is in the language and the variety of voices in the American South. There are descriptions of shadowy places where men fish for catfish, and rejoice to cook them over a fire; and of airless rooms where people taste their own sweat. The whole of Rudora Welty's society is there; four decades and six hundred pages of it.

Elaine Feinstein

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## Revolution from below

The Polish August  
The self-limiting revolution  
By Neal Ascherson  
(Allen Lane, £12.50)

Neal Ascherson is the best British writer on Poland today, so his book is the best British book on Poland today. He brings a unique combination of historical perspective, contemporary sensitivity, and grace of style to his analysis of the self-limiting revolution which has astonished Poland — and the world — over the past 15 months.

He traces the strong elements of historical continuity which still operate in Poland but his main concern is the cyclical nature of her post-war history. Mr Gomulka's first post-war regime fell victim to a combination of Soviet and home-grown Stalinism. After that there were two more big chances. The first was in 1956, when strikes brought Mr Gomulka back to power with promises of major reforms. The second was in 1970, when strikes brought Mr Giersek to power with similar promises. In 1976 there was a smaller explosion which rocked but did not destroy the regime. Then came the cataclysm of August, 1980, which has left Poland still struggling to find whether this is going to be yet another missed opportunity.

Mr Ascherson approaches the problem from the left, which gives him a good understanding of revolutions, but also leads him to accept as given truth that the Cold War was caused by the Americans, and to argue rather perilously that if the Poles had been more complete communists, even under Stalin, they might be better off now. Tell that to the Czechs. He also divides the world too neatly between

those who, like himself, believe that the communist system can be reformed, and sceptics such as Mr George Blazynski, who argues (*Flashpoint Poland*, Oxford, 1980) that Mr Gomulka is being true to himself when he withdrew many of the reforms which he introduced under pressure in 1956.

The fact is that nobody yet knows whether, or how far, the systems of eastern Europe can be reformed. They all suffer from the basic problem that the lack of institutionalized checks and balances, remains inefficient, late around a central apparatus, which gradually becomes out of touch and corrupt, while the economy, protected from market forces, remains inefficient. The Czechs tried to introduce reforms from above in 1968 and were crushed by the Russians. The Hungarians have meanwhile made some progress with market mechanisms. The Poles have embarked on a radical revolution from below.

Mr Ascherson rightly stresses how determined

most Poles now are to ensure that this time there is real change, which means creating new structures of control that will prevent a slide into the inevitable corruption of centralism. It is this determination which has extended the crisis for so long, since Solidarity has learnt from history that it cannot rely on promises.

Will fascinate ideologists because it will say something general about how far it is possible to introduce effective political and economic reforms within the Soviet sphere of influence. But it will be primarily a Polish answer to Polish problems, and one does not have to be on the left or right to hope for the sake of Poland that Europe this time, the post-war cycle is well and truly broken. If it is, most people are going to care little what ideological label is attached provided the new system contributes to the prosperity and liberties of the Poles.

Richard Davy

## Quick Guide

The Myth of the Nation and the Vision of Revolution, by J. L. Talmon (Secker & Warburg, £15). This brings to a conclusion the late Professor Talmon's great trilogy on the history of revolutionary ideas, which began with *The Origins of Totalitarian Democracy* in 1952 and continued with *Political Messianism* in 1960. *The Myth of the Nation* considers the relationship between nationalism and "the expectation of a total universal revolution" in the late nineteenth and early twentieth century. Although

there are sections on Wilhelm II and the 1918 Revolution (Hitler in the Wings), as well as Georges Sorel and Mussolini's version of Fascism, the emphasis is on the Russian revolutionary movement, culminating in Lenin's Jacobin belief in the need for a small, self-appointed group to carry out the general will. In his conclusion, Professor Talmon recalls how the Moscow Trials of the 1930s suggested to him "some unfathomable and inescapable law which causes revolutionary salvationist schemes to evolve into regimes of terror". A classic attempt to explain why this happened, and continues to happen.

**JOANNA TROLLOPE**  
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Miss Trollope writes with elegant vigour. Her characters leap from the page...her sense of period never falters said the Sunday Telegraph reviewing *Leaves from the Valley*. 'If anyone has inherited Georgette Heyer's touch with character, it is Joanna Trollope' said the Times of the prize-winning *Parson Harding's Daughter*. Her new novel is a marvellously rich and entertaining drama of political and emotional conflict set in the fairy-tale city of Mandalay — the 'City of Gems'.

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# LETTERS TO THE EDITOR

## A NEW PRAGMATISM?

Sir Geoffrey Howe's economic statement was not so much a U-turn as a sidelong glance: he is continuing down the lengthening wintry road but he has noticed, or been persuaded to notice a number of side-turnings and at the next fork he might just be tempted to branch off.

The best news in the package of information is that the Government has not tried to do the impossible: Public spending is not being squeezed down to the regrettably unrealistic figure of £110 billion implied by a simple updating of the plans published at the time of the Budget. The Treasury carefully gave itself the high ground on the discussions in cabinet this autumn by slipping through a highly optimistic guess of what inflation will be next year. Much of the overshoot from £110 billion to £115 billion in the announced plans is simply recognition of the reality of what is happening to prices.

But that only accounts for part of the £5 billion flexibility which the Government has conceded. There have been some sensible decisions, some necessary ones and one weak concession to the forces which have prevented public spending coming under proper control in the years since Mrs Thatcher took office. The sensible decision is the increase in the amount which nationalized industries can borrow. Indeed, if the increase has a fault it is that it is too small. The Government has still not found a way to make sure that it cuts out waste and inefficiency in the public sector rather than cutting out the investment in public enterprise which we so badly need.

The inevitable decision is the admission that local authority spending will remain far higher than the Government would like. The Chancellor and Mr Heseltine have squeezed a little fat out of local government, but their campaign to force a dramatic cutback has so far failed to the tune of nearly £1.5 billion.

Therefore the decision to cut the amount of Rate Support Grant to only 56 per cent of spending is a wise one. Local ratepayers have a right to vote for as much spending by their councils as they like; they do not have a right to expect the rest of us to pick up the bill. The Government is still grappling with its further highly contentious proposals to curb council spending. Yesterday's decision is a recognition of reality, not a sign of weakness.

The same cannot be said of the £480m increase allowed to defence spending. In the summer Mr. Nott was claiming to have made the corridors of red with blood as he carried through what was billed as a draconian cuts exercise. Yet five months later, defence spending is rising faster than planned, as it did last year and the year before that. There ought to be a full and searching inquiry into why we get less and less in the defence field for more and more money. Sir Derek Rayner ought to be looking at the brass hats in Whitehall and the procurement policies as well as the red tape.

So much for the spending parts of Sir Geoffrey's announcement. What about the meaning for the economy and for the rest of us? There would be no joy if the extra spending which Sir Geoffrey announced were to be followed by extra taxes next spring, as his defeat by the cabinet wets last autumn was followed by his ferocious budget this year. The extra taxation on income implied by raising the National Insurance contributions of wage earners is equitable in the sense that those in work should carry the burdens arising from unemployment. But it involves too great a concession to the mythology of Government borrowing limits and the notion that national insurance is a self-balancing fund. It is to be hoped that such arcane attitudes are not brought to public borrowing in next spring's Budget.

The best guess available about the likely level of public borrowing next year says that it will be round £8 billion even if the Government does not receive a single penny from the sale of North Sea assets. Taking those into account the figure would be much lower.

That is a very tough policy for an economy with 3 million unemployed and a forecast of only one per cent growth. If, as seems likely, interest rates are kept high in order to maintain a strong sterling, the outlook for manufacturers and for those unemployed remains grim. The Chancellor has to recognise soon that he has a responsibility to get the economy moving again. At that snail-like rate of growth built into his plans, it will be 1987 before Britain is producing as much as it did when Sir Geoffrey took office. Nor will he want to go into an election, one imagines, with the guilty knowledge that the total tax burden on individuals is higher than when he took office.

Sir Geoffrey, then, has missed some opportunities of which the failure to cut the national insurance charge on companies and the belatedly small easement on state industries' financing limits are the most significant. But he has nearly got rid of some of the unpopular measures scheduled for the 1982 Budget and he can still take the more attractive fork ahead. It will be understandable if he wants to reduce the extra personal tax burden he has imposed since 1979, but the fork will lead to nowhere very fast if electoral nerves lead him to stimulate consumption. He must be preparing some positive action to stiffen the sinews of the British economy to take advantage of any world recovery and to survive if there is none. He must be planning now or how he can spend more on investment in industrial and social infrastructure — on training, education, rail and road transport, and incentives to industrial investment. One senses a new pragmatism in the air; may it come to full flower in the spring.

## Children's lives in the balance

From Mr Stephen Briggs  
Sir, Today was an anguished day in which I was part of a case conference where the decision of the conference — police, health and social services officer and two team leaders — was that we had no ground for a place of safety order on two small children. My job is to prevent the reception of children into care, where appropriate and where possible, by supporting families and children at home. I provide resources and manage the risk.

We know that the younger child's speech is delayed, both children are grossly undernourished, never taken out by their mother, and are emotionally deprived. One often does not wear clothes at home because they involve washing and changing and they excrete onto the floor.

Mother has a psychiatric history and was described by her GP as an immature, inadequate personality. We believe that there may be masturbation of the mother by the child, and she has overdosed in the recent past. She threatens to do so again, and may take the children with her. There is little chance of altering the mother's behaviour and the prognosis for the children is poor.

We could institute care proceedings in the future, but run the risk of the mother's overreaction rather than lose them. There is a slight fear that the children may die even though we provide support for the family.

Sometimes risk management fails. When things go well no one in the press knows, but a child's life may be saved or there is a dramatic improvement in the life opportunities of the child. When things go wrong and there is a death, the failure of communication is commonplace, but the hard fact is that inter-professional communication is difficult because it only requires one inefficient or indifferent agent to cause a breakdown.

Reporting of such cases (with some exceptions) now looks to apportion blame, simplify, stereotype and thus distort the detailed actions in individual cases. By all means report and debate; nothing would be more helpful than constructive concern about the need to remove children from families, the law involved, and the treatment and resources available (these days that means decreasingly available).

It is now seven years since the Fraser Committee recommended the establishment of family courts. Which political party will establish them this century?

Yours faithfully,  
STEPHEN BRIGGS,  
(Co-ordinator, South Norfolk Family Centre),  
77 Furze Road,  
Thurpe St Andrew,  
Norwich.  
November 24.

## Getting a grip on the public purse

From Mr Edward du Cann, MP for Taunton (Conservative), and Mr Joel Barnett, MP for Heywood and Royton (Labour)

Sir, If there is a matter about which the whole nation is certain to be agreed it is that public money (that is to say, money provided by the ordinary citizen directly and indirectly at the disposal of Government and its agencies, local government and the nationalized industries) should be well spent.

The reports made to Parliament by three of its select committees (the Select Committee on Expenditure, the Public Accounts Committee and the Procedure Committee) have all pointed to ways in which the scrutiny of Parliament over expenditure authorized or made by the Executive could be improved.

It is nothing if not scandalous that the Comptroller and Auditor General is denied the access which would enable him to audit some 50 per cent of public expenditure. In the House of Commons debate on Monday November 30, on the First Special Report from Public Accounts Committee on these matters, 15 members of Parliament spoke. All were unanimous that progress should be made in extending the scope of the audit, including the value for money evaluations. The notable exception was the Treasury spokesman.

There is no more important constitutional duty upon backbench members of Parliament than surveillance of the actions of the Executive and the ways in which it spends our money. The central failure of Government policy has been its inability to control expenditure and to ensure that money is invariably wisely spent.

It is surprising that ministers are apparently unwilling to use an instrument for this purpose which could be readily at hand. Parliament's historic duty is to exercise a proper financial control. A number of us on the back benches are determined to see that this authority is restored. In our endeavour to achieve this, we hope we shall have the strong and vigorous support of informed public opinion.

Yours faithfully,  
EDWARD DU CANN,  
JOEL BARNETT,  
House of Commons,  
December 2.

From Professor Lord Kaldor, FBA  
Sir, The letter from 17 prominent business leaders which you published on November 26, provides fresh support for the widespread view of foreign businessmen that it is the low quality of British industrial management which is at the heart of Britain's

economic problems. It would be difficult to find a better example of a jumble of prejudices and non-sequiturs than this letter.

"The Government's resolute stand since 1979" did not make it easier "to earn our own living in a tough competitive world". Nearly 20 per cent of our manufacturing production was lost; the volume of our exports of manufactures, on the evidence of the latest September-October figures, is less than in the second quarter of 1979, while our imports of manufactures is greater — despite the fact that our economic recession, which has been far greater than that of our trading partners, should have caused the opposite to happen.

Inflation, since the second quarter of 1979, proceeded at an annual rate of 15.5 per cent, as against 9.1 per cent a year in the preceding two years. (The money supply, which is discreetly omitted from the catalogue of the Government's achievements, rose over one and a half times as fast in the two and a half years of the present Government than in the five years of the previous Government.)

It is true that output per man employed in manufacturing rose substantially since the last quarter of 1980, but this still leaves it some 4 per cent lower than the level attained in the second quarter of 1979; whereas in the last old days of full employment, during the decades of industrial bad habits, productivity showed a fairly regular rise of three to four per cent a year.

The true reason which make our industrialists so cheerful, which is hinted at, but not fully spelt out, is Mrs Thatcher's achievement in increasing unemployment to nearly three million. It is this which brought about the change in "competitive discipline" and made it possible "to tackle slack working arrangements" or (to use the unkind words of a German businessman interviewed by *Der Spiegel*) "to treat workmen like dirt". The workman's fear of the sack, and still more, the fear of the disappearance of jobs through the closure of factories, is the "glittering prize" which Mrs Thatcher's Government won for our business leaders.

A more promising prospect, from the workman's point of view, is the spread of joint management enterprises, as shown, for example, by your report on Toshiba (published in your issue of November 18) which demonstrates that the attitudes of contempt and condescension are not a necessary ingredient in the efficient conduct of business.

Yours faithfully,  
NICHOLAS KALDOR,  
King's College,  
Cambridge,  
November 30.

## Case for treasure trove revision

From Mr Charles Sparrow, QC

Sir, Mr Tim Tatton-Brown is, of course, absolutely right in his view (November 28) that the law of treasure trove must be reformed. The need for reform has been obvious since 1903. In that year two national museums were involved in a High Court action, on opposite sides. The case turned upon the question which, incredibly, still has to be decided in every treasure trove case, namely whether or not the ancient objects were hidden.

If objects are adjudged to have been hidden, they are treasure trove, in Crown property. If merely lost, they remain private property. The futility of such an enquiry is plain.

The law should, of course, provide some protection for archaeological finds which is of a rational character. That view was accepted in the judgment of Mr Justice Dillon in the recent case mentioned by Mr Tatton-Brown.

Your readers will be interested to know that a Bill is about to be presented in the House of Lords by Lord Abinger, for the reform of treasure trove. As draftsman of the Bill I can state that its object is to make a fair and moderate revision of the law that should be acceptable to anybody who accepts the principle that reform is necessary.

The text of the Bill reflects some years of study in this field and consultation with many people and interested bodies. The Bill replaces an earlier one, lost when the last Government fell. I am very glad to be able to add that the present Bill enjoys the support of the British Museum, as well as the Council for British Archaeology.

I am, Sir, your obedient servant,  
CHARLES SPARROW,  
Honorary Legal Adviser,  
Council for British Archaeology,  
13 Old Square,  
Lincoln's Inn, WC2.  
November 30.

## Strikes in Poland

From Mr Tom S. Szczepanik

Sir, Your report (November 20) the Minister of Labour in Poland as saying that "the strike had cost the country 10,500,000,000 in lost production this year". Yet Solidarity's membership is "about 10 million, or one in three of the population" (article, October 21).

The justification offered for emergency powers if the "strike wave" did not end: one hour on strike per member this year? Yours faithfully,  
TOM SZCZEPANIK,  
By The Way,  
Bradford Road,  
Lewes,  
East Sussex.

## Preserving old London

From Mr May Sebba

Sir, In his letter published on November 28, Mr Geoffrey R. Fox has proposed in his refusal to recognize that my company and its architects have gone to great lengths to preserve the character of Wardrobe Place. His reference to high-rise office blocks seems calculated to mislead: certainly there is no high-rise block planned for this site. The proposed new buildings are of the same height and scale and have the same number of floors as those which are there now. Even our original proposals were in fact regarded favourably by the Royal Fine Art Commission and those proposals have since been improved.

It is not true that "two and a half sides of Wardrobe Place are to be demolished". The existing elevations of the buildings on the whole of the south side are to be retained, as is the existing elevation of number 6 Wardrobe Place, the building occupied by Mr Fox.

The rest of the east side and half of the north side are to be replaced by buildings of similar height to those existing but with elevations more in scale and sympathy with the listed buildings on the opposite side of Wardrobe Place which are not affected by our proposals.

The suggestion that Telecom relinquish their present use of Knightbridge Street is not relevant; refurbishment has been fully investigated by the company's professional advisers and was found neither to be viable nor satisfactory.

Yours faithfully,  
MAX SEBBA, Managing Director,  
Warnford Investments Limited,  
Salisbury House,  
Finsbury Circus, EC2,  
December 2.

## Alternative titles

From Mr David A. Charlesworth

Sir, Philip Howard's lighthearted article today (November 30) on the effects to the present Royal Family if the first-born succeeds, contains three principal errors (in addition to the one you corrected on December 1).

Had the late Princess Royal succeeded and chosen her last name, she would have been Mary III, for Mary II had already reigned alongside her husband William III from 1689 to 1694.

The present Queen would not be Lady Elizabeth Mountbatten, but Princess Elizabeth of York, in the same way that the Duke of Kent's daughter is Princess Alexandra of Kent.

And as Princess Alexandra's children have no title, neither would the present Prince of Wales have the prefix "Honourable".

"Admiral Mountbatten" had been ennobled.

I remain, Sir, her Majesty's loyal subject,  
DAVID CHARLESWORTH,  
4 Shaftesbury Mews,  
Stratford Road, W8,  
November 30.

## JAW-JAW SI, WAR-WAR NO

The Reagan Administration is increasingly frustrated by its inability to gain control of events in Central America. It sees a civil war in El Salvador in which the military regime, in spite of assistance from the United States, is unable to defeat the leftist rebels. It sees a similar, though less publicized, fight to the death in Guatemala. And in Nicaragua it sees what it is afraid could be the outcome in the other two countries, and even in Honduras: a Marxist regime closely linked with Cuba. Moreover it believes that Nicaragua is actively helping the insurgents in the rest of Central America by serving as a conduit for arms from Cuba.

Hence the talk in Washington in recent weeks about the possibility of some form of American military action — with the options including an attempt to blockade Nicaragua and even an invasion of Cuba. The initiative appears to have come from Mr Haig and to have met resistance from the Pentagon. So far it has not amounted to more than threatening words which have been backed by confidential intelligence reports circulated to allies and friendly nations, including those attending the meeting of Organization of American States this week.

The trouble with the Administration's analysis is that it is based on a partial view of the situation. There is no reason to doubt that Cuba is ready to promote its ideas throughout the region by whatever means available. The Sandinista regime in Nicaragua does have a Marxist slant, though it is still far from being totalitarian. But the turmoil in Central America is not primarily caused by outside subversion. It results from the fact that most of the countries in the region have suffered from years of misgovernment, usually at the hands of military regimes backed by the United States.

The solution does not lie, therefore, in simply trying to stamp out insurgent groups by military means; and the danger is that by concentrating on that, Washington is repeating past mistakes. It is liable to find itself once more in a situation like that after the Cuban revolution of 1959, or the Nicaraguan one twenty years later, when it was closely identified with the regime that had been overthrown. What it has to do is to accept that change must come, possibly change that is most unattractive to itself, and do what it can to reach an accommodation with the new state of affairs. In the case of

El Salvador, that means negotiations between the regime and its opponents.

In the case of Nicaragua, it should acknowledge that that country is far from being a fully-fledged member of the Soviet block, but that Washington's present policies could drive it in that direction, just as they drove Cuba in the 1960s. Nicaragua needs an accommodation with Washington, and it would not be impossible to find one.

Military action by the United States, against either Cuba or Nicaragua, would cause incalculable damage. It would be widely condemned in Latin America, even by governments with little affection for either country, and elsewhere in the world. It would arouse a great deal of opposition within the United States. And it could lead to serious trouble with the Soviet Union. It would be most unlikely to resolve the crisis in El Salvador, which is at the root of the Administration's concern, but would simply enlarge the problem. Washington does have legitimate grounds for anxiety about developments in Central America, but the solution can and should be reached by political and diplomatic means, and not military ones.

## Faults in trains

From Mr Michael Kenward

Sir, It is a pity that Mr L. M. Campbell, writing to you (November 28) to defend British Rail against the accusation of having made an "elementary design fault" on its Advanced Passenger Train, did not quote the second paragraph of his letter to *New Scientist* (which made the allegation), as well as the first (March 26, 1981, p. 830). The second paragraph reads:

At a few locations where passing clearances are marginally below the track's centre line, the dynamic forces at play when a train is in motion make it theoretically possible for two APTs each with a coach failed to clear the way momentarily to brush sides — nothing more.

Mr Campbell says that this possibility is very remote. However slight the chance of such an incidence, it is amazing that British Rail apparently does not think this an elementary design fault. Even children putting up model railways usually make sure their trains don't touch. And they aren't playing with trains that pass each other at a combined speed of around 250 miles an hour.

Yours sincerely,  
MICHAEL KENWARD,  
New Scientist,  
Catharine House,  
1-19 New Oxford Street, WC1.  
November 30.

## Plight of museums

From Mr Humphrey Brooke

Sir, The staggering report (December 1) that the British Museum may have to close in two years, that part of the National Gallery may have to close and that other leading institutions are in serious financial difficulty highlights again the problem of museum admission charges.

In contrast, the Royal Academy Green Japan Exhibition has been paid for with visitors up to 7,000 daily (including some Friends). These are rewards for opening every day including Sunday mornings. Treasures of the Gonzagas (1) at the Victoria and Albert is also drawing very large crowds, as did the Arts Council's Picasso. There is a widespread belief today that art is worth paying for.

Surely, Sir, the solution to this economic plight is for admission charges to be introduced again, but with the assurance that the institutions keep all the proceeds. Charges universal in Europe and admissions are the equivalent of £1 in the USSR and Dresden. I would suggest not less than this here, with concessionary rates. Meanwhile, civil servants and boards give much away, but ask for more.

Yours faithfully,  
HUMPHREY BROOKE,  
8 Pelham Crescent, SW7.

## Riots and the media

From Mr Mary Whitehouse

Sir, All public discussion on the Scarman report has concentrated on the police and what they and society needs to learn. It is not without significance that Lord Scarman's references to the role of the media in the recent riots have been lightly passed over or ignored.

Lord Scarman made it clear that the media, particularly broadcasting, "do bear a responsibility for the escalation of the disorders including the looting". He emphasised the need for editors and producers to give continuous attention to the social implications of their awe-inspiring power to influence the minds, the attitudes and the behaviour — not only of the reading, viewing and listening public but also of those whose unlawful behaviour they report.

The police have courageously and openly responded to the complaints made against them; they have stated publicly what changes they propose to make in

the light of the report, and the media report this with great interest.

May we now hear from both the BBC and the IBA precisely what response they propose to make to these specific issues raised by Lord Scarman? May I, with respect, suggest that they do more than add to the pile of "guidelines" which gather dust along with the Annan Report on the Future of Broadcasting?

If the Governors of the IBA and the BBC had been courageous enough to put his far-sighted recommendations into practice, television in particular could now be making a positive contribution to the difficulties we face, and not only as far as violence is concerned.

Yours sincerely,  
MARY WHITEHOUSE,  
President,  
National Viewers' and Listeners' Association,  
Ardleigh,  
Colchester,  
Essex,  
December 1.

## Poverty and the family

From Mr Malcolm Wicks

Sir, Your leading article "Burden and benefits" (October 29), points to the fact that families with children have suffered disproportionately in recent times as a result of expenditure constraints. It is therefore important that any future decisions about the social security budget are based on a proper evaluation of their potential impact on families.

Official figures show that many families remain in poverty. In December, 1977 (and this is the latest available evidence) there were some 420,000 children in families below the supplementary benefit level; a further 980,000 children in families with incomes at this level; and altogether some 3,540,000 children in families at or below the supplementary benefit standard. Currently the supplementary benefit level for a family of two adults and two children under 11 is £49.20 per week (plus rent and rates); £1.04 per week is allowed for each of the costs of a child, except housing.

Family poverty, however, is not the only issue. More generally it is the case that all families with children have fared badly compared with other groups in the population. The relative tax burden has moved steadily against families with children. For example, during the period 1964-5 to 1978-9, the tax burden for a married couple with two children increased by 137 per cent, compared with 137 per cent for a single person. Similarly, the value added of child benefits, as a percentage of average earnings, is significantly lower than that of family allowances plus child tax allowances in the 1950s.

A further problem relates to the sheer complexity of family income support today. Our maze-like system deters many poor

families from claiming this entitlement to family income supplement, rent rebates and a host of other benefits, while those who do claim are often judged well enough off to pay income tax. Hence they fall victims of the poverty trap.

All these facts show the need for a thorough overhaul of our system of income support. At the very least, however, it is to be hoped that any short-term decisions are based on social as well as economic considerations, and bear in mind the widespread desire to give more help to the family.

Yours sincerely,  
MALCOLM WICKS,  
Research Director and Secretary,  
Study Commission on the Family,  
3 Park Road, NW1.

## Bir Zeit University

From Mr David Astor and others

Sir, It appears from press reports that the Israeli military authorities on the occupied West Bank have closed Bir Zeit University and further notice. Since many of its students are working seriously for their degrees this amounts to punishment of the just with the unjust.

This is not the first time that Bir Zeit's academic life has been disrupted. Two obvious outcomes are: 1, the departure of able and better off students for universities abroad and 2, the denial of higher education to those who remain, many of whom may be forced to become manual workers.

Israel likes to champion human rights and academic freedom. Both are denied by this action.

Yours faithfully,  
DAVID ASTOR,  
E. J. HOBBSAWM,  
ELIZABETH MONROE,  
IVOR MONTAGU,  
E. R. J. OWEN,  
As from 13 Southwark Street,  
SE1.

## ...AND IN THE DESERT TOO

Today's visit to Morocco by the American Secretary of Defence, Mr Caspar Weinberger, marks a further escalation of American support for King Hassan II in his war in the Western Sahara against the Polisario Front. The Reagan administration has apparently been convinced by King Hassan's argument that Morocco is the victim of Soviet-backed aggression and should therefore be helped to defend itself with expensive and sophisticated Western equipment. The underlying assumption is, presumably, that in all parts of the world one can decide which side to be on by finding out which side the Russians are on and then choosing the other, without examining the basic rights and wrongs of the issue.

The Western Sahara is a classic case in point. The territory, which Morocco claims, was a Spanish colony until 1976. The International Court found that there had been some ties between the area and the Moroccan Sultan in the past, but none strong or clear enough to prejudice

the right of the present-day inhabitants to self-determination. A UN Commission in 1975 found *prima facie* evidence of majority support for the Polisario Front, which was already fighting for independence, but said that a properly organized referendum was needed to decide the issue. But the government of the dying General Franco made no attempt to organize such a referendum: it simply handed the colony over to be partitioned between Morocco and Mauritania.

The democratically elected government of Spain has since admitted that this was wrong. Mauritania has also admitted it was wrong, withdrawing from the area and declaring its support for "the exercise by the Sahrawi people of its right to self-determination, free from all military or administrative pressure". King Hassan himself has now implicitly admitted it was wrong, since last summer he announced his willingness to "prepare a controlled referendum". To the Polisario's demand, supported by Algeria, that the

Moroccan army and administration be withdrawn from the Western Sahara before the referendum was held, he replied that the Algerians had not insisted on the withdrawal of the French army before their own referendum on independence in 1962.

He omitted to mention, however, that the referendum in Algeria was held under the terms of an agreement previously negotiated between France and the Front de Libération Nationale, whereas he has so far refused any negotiations with Polisario. Such negotiations are clearly necessary if the referendum is to carry any conviction after nearly six years of war.

King Hassan's forces suffered a serious defeat in October at Guelta Zemmur. By blaming this on Soviet missiles, alleged to be fired by Cuban or East German advisers, the King was able to cash in on the American panic after President Sadat's death, and demand new weapons. But the effect of such weapons will be to prolong the war by enabling him to avoid facing up to the inevitable for a little longer.







# Business News

THE TIMES Thursday December 3 1981

Why the price of tin is soaring, page 17

## 800 Gallaher jobs go as cigarette sales fall

By Derek Harris, Commercial Editor

Gallaher, Britain's second largest cigarette manufacturer, yesterday announced 800 redundancies—9 per cent of its workforce—as the tobacco industry wrestled with a plunge in cigarette sales of nearly 15 per cent.

Cigarette prices have risen by nearly one third in 1981. In that same year, tobacco company sales have slumped by as much as they did in the previous seven.

Gallaher, whose chairman is Mr Stuart Cameron, is part of American Brands, a market leader in the king size market with the Benson and Hedges brand. Gallaher last night said that more jobs could be at risk because of the continuing uncertainty over sales.

Imperial Tobacco, part of the Imperial group, has already eliminated nearly 1,000 jobs mainly in manufacturing, bringing its production workforce down to around 11,000. These are in addition to the 1,000 white-collar jobs being phased out over the next three years.

Imperial estimates retail sales are down 13 per cent, so since March Budget and Gallaher fears the downturn could go to 15 per cent by the year's end.

The Gallaher redundancies, due early in the New Year, are among hourly-paid factory workers in Lancashire.



Mr Cameron: Warning of more jobs at risk.

Gallaher is initially calling for voluntary redundancies but then plans to deal with the balance on a "last-in, first-out" basis.

The company last night blamed the jobs cutback on what it described as savage tobacco duty increases by the Chancellor and their effect on sales. But the increasingly hostile pricing environment in which the tobacco companies are now operating also means upgrading efficiency through machinery improvements and this has obviously had some impact on Gallaher jobs.

The Chancellor last March imposed 14p on a packet of 20 cigarettes and a further 3p in July. The manufacturers put through a 4p a pack increase just before the Budget and then, in the late summer, there was another 2p increase shared between the manufacturers and the retail trade.

Fears are growing that the decline in sales will extend well into the New Year. Then the manufacturers—with costs steadily from the 7.9 per cent range which characterized the second half of the last year round from January to August this year.

The CBI said yesterday that its pay database had logged 172 settlements since August, covering 45,000 employees in its sample of 1,350 establishments.

Although the CBI said that the results should be treated with some caution, because of the relatively small number of settlements recorded so far, the unwaged monthly average of reported settlements was 7.9 per cent in August to 6.8 per cent in October.

These figures are encouraging to the Government in its commitment to controlling tightly the level of public sector settlements in order to reduce inflation, and to the CBI which believes that low pay settlements are crucial to the industry's ability to claw back lost competitiveness. But they are still higher than either would like.

The CBI also noted that there was evidence which suggested that a significant number of settlements had been deferred from customary settlement dates. From the evidence submitted the effects of the recession and the constraints on price-competition continue to be big factors in influencing the level of settlements with 25 per cent of respondents citing these factors compared with a year ago.

Another feature which has emerged from the latest survey is that employees are now looking more at their own company circumstances and at the distribution of available increases between groups in the company.

## Industry pay deals continue to drop

By Peter Hill, Industrial Editor

The value of wage settlements in manufacturing industry is continuing to fall. An increasing number of deals have been concentrated in the 5 to 7 per cent range in the past few weeks, according to the latest survey made by the Confederation of British Industry.

Settlements over the three months to the end of October have edged down steadily from the 7.9 per cent range which characterized the second half of the last year round from January to August this year.

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## Cash squeeze on state industries

Reaction to the Chancellor's statement

By Our Economics Staff

Big increases in state industry prices and cutbacks in investment programmes and jobs are likely to result from yesterday's announcement on the nationalized industries' external financing limits (EFL)—the amount they can borrow or receive in Government grants.

Though the 1982-83 EFL total of £2,770m represents an increase of £1,300m over plans last spring, this rise is only half what the industries were asking for. In cash terms, state industries will be getting substantially less than this year's estimated outturn of £2,402m (equivalent to the £2,621m shown in the accompanying table adjusted for the gas levy and changes in North Sea taxes).

The public spending White Paper published in March envisaged a huge turnaround in state industry finances which would reduce reliance on external sources practically to nothing by 1983-84. This was a vital component in the Government's plan to reduce public sector borrowing.

But recession has hit industry revenues and hence their ability to generate an increasing proportion of the capital they need for investment. The White Paper plans

would have reduced the total for EFLs in 1982-83 to £1,470m.

The Government has been forced consistently to concede extra sums to the hardest pressed industries. Already this year it has increased EFLs by a total of £431m to accommodate an extra £200m for British Telecom and £231m for the National Coal Board.

The industries' EFLs are in principle based on their own assumptions about investment, prices, pay and other costs. But the Government is using the limits to put pressure on the industries to keep down pay settlements and improve efficiency.

However they are unsuccessful in cutting costs, they will have no alternative but to raise prices or cut back on planned investment. Over most of the past year, nationalized industry prices to the consumer have risen by twice the rate of inflation elsewhere in the economy, as the industries have struggled to generate extra revenues in deepening recession.

Instead of cutting public spending by 1.6 per cent in volume terms, as originally planned at the time of the last Budget, the Government is

NATIONALIZED INDUSTRIES' EXTERNAL FINANCING LIMITS, £m		
	1981-82	1982-83
National Coal Board	1,117	1,325
Electricity (EAW)	165	319
N. Scotland Hydro	7	7
Electricity	32	47
British Gas	217	2
BNOC	250	25
British Steel	730	350(a)
British Telecom	389	340
Post Office	18	25
British Airways	101	8
British Airways	14	49
British Rail	850	950
Docks	5	4
British Waterways	38	40
National Freight	7	n.a.
Company	75	n.a.
Scottish Transport	17	21
British Shipbuilders	190	123
(c) provisional	2,821	2,770

day, show that the public sector will spend in hard cash £115,000m in 1982-83—or some £5,000m more than originally intended when the last Expenditure White Paper was published in March, and about £8,000m more than is likely to be spent this year.

The four areas where public spending is now set to rise in cash terms are the nationalized industries, local authorities, employment services and defence programmes. The increases amount to £6,000m, but this is offset by across-the-board reductions of about £1,000m. Many programmes are being trimmed by around 2 per cent but, in some cases, the reductions are bigger.

The new spending plans are the first to be drawn up in cash terms. In the past, the plans have been expressed in volume terms.

In volume terms, the Government had originally planned to cut what it spent in both 1982-83 and 1983-84. But if prices in the public sector now rise by the amount that the Chancellor is predicting, the volume of spending will actually rise.

Economic Prospects: see Briefing

## £72m losses on Polish ship deal

By Our Industrial Editor

Final losses on the controversial shipbuilding deal negotiated four years ago between Britain and Poland have amounted to £72.5m.

Under the deal, negotiated during the Callaghan Government, British Shipbuilders built 24 vessels for Poland. At the time the package, with a £115m price tag, provided United Kingdom shipbuilders with a valuable job safeguard.

In effect, the British taxpayer in subsidizing Poland's foreign trade in competition with British flag ships—and yards in which 10 of the 24 vessels were built have now closed.

The final bill for the Polish deal was disclosed by senior executives of British Shipbuilders yesterday at the Parliamentary Select Committee on Industry and Trade. When the deal was finally

concluded Mr Eric Varley, the then Industry Secretary, referred to the "ingenious financial package" which had been drawn up by British Shipbuilders in consultation with Hambros, the merchant bank.

Having agreed to build the vessels—22 merchant ships and two crane barges—with £28m of subsidy from the Government's shipbuilding intervention fund, the scheme involved British Shipbuilders establishing a joint company, registered in Poland, and called the Anglo-Polish Shipping Venture, with Polish partners.

The company, nominally the owners of the ships, then chartered out the British-built vessels to PZM, Polish state shipping company, for periods of between 13 and 15 years.

□ A Polish government mission is to visit Washington next

week for talks which are expected to centre on a Polish request for £200m (£100m) in emergency food credits (Nicholas Asford writes). Poland is facing a serious food crisis with shortages of many basic foodstuffs being reported.

The official reason for the visit is to attend a meeting of the joint Polish-American Economic Commission, but Administration sources have said that the Polish request for food credits will be top of the agenda.

Poland needs the emergency credits to purchase grain to keep its poultry industry afloat. It uses some 2,000,000 tons of grain for this purpose each month. The only place it can obtain such quantities at short notice is the United States, but does not have the hard currency to pay for it.

Lack of support, page 16

## British Steel cuts losses to £196m

By Our Industrial Editor

British Steel cut its losses to £196m in the first six months of this financial year and looks set to end the year well inside a target loss of £400m.

The rate at which BSC, which lost £665m last year, continues to cut down its losses, however, depends heavily on the speed at which it carries through a further job-shedding programme and an improvement in steel prices being coordinated by the European Commission.

The loss for the six months to the beginning of October compares with a pretax loss in the corresponding period of last year of £279m. Trading losses have been similarly cut down from £187m in the first half of last year to £154m in

the first six months of this year, a statement, the corporation said that increased costs of raw materials and fuel and depressed selling prices for steel in the first four months had been offset by improved utilization of fuel and labour.

Trading losses, however, increased in volume, had helped to reduce the trading loss.

Mr Ian MacGregor, BSC chairman, has been discussing the corporation's latest corporate plan with the Patrick Jenkin, Industry Minister, this week, and not until those discussions have been completed will the corporation be set its External Financing Limit for next financial year. Yesterday's Public Expenditure White Paper provides for a provisional limit of

£350m for next year representing a significant cut on this year's £417m. Mr MacGregor, who earlier this year indicated that the overall loss for the full year might be contained at £318m, is still aiming to carry through cost reductions to enable the corporation to "break even by the end of 1982."

The corporation is engaged in talks to cut its labour force from 108,000 to about 90,000 by the middle of next year and is insisting that any pay increase this year must be negotiated at local plant level and tied to productivity.

Improved prices are the crucial factor. As a result of co-ordinated increases so far this year, BSC's price has risen back to levels reached in 1979.

### BRITISH STEEL INTERIM RESULTS

Turnover, U.K. operations		£7 Weeks 28 Weeks
		1981 1980
Home	1,084	1,287
Export	417	285
Total	1,471	1,519
(Loss) before interest payable	(154)	(187)
Interest payable	(49)	(90)
(Loss) before taxation	(198)	(297)
Million tonnes		
Liquid steel production	7.0	8.1
Deliveries, finished A		
semi-finished steel		
Home	3.8	4.1
Export	1.5	1.0
Total	5.3	5.1

Industry's overall costs could be increased by £500m a year as a result of measures announced by Sir Geoffrey Howe, the Chancellor. The Confederation of British Industries claimed that would be the total additional bill from increased National Insurance contributions and higher rates levied by local authorities.

Sir Terence Beckett, director general of the CBI, declared curiously: "There is certainly no help for business."

The CBI's charge was that the Government was no hint of a step towards reducing the employers' National Insurance surcharge which it considers to be a tax on jobs. In fact, quite the reverse since the CBI calculates that the effect of the band changes on National Insurance contributions will be to cost employers a further £200m a year.

Even Mr Walter Goldsmith, director general of the Insti-

tute of Directors and one of the most ardent supporters of Government economic policy expressed annoyance.

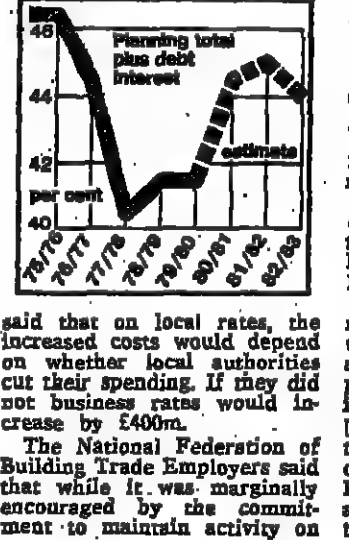
"Today's increases in National Insurance contributions and other changes mark the last time the Chancellor will be able to get away with increasing the effective tax burden on industry and the general public," he said.

The Institute, which is to meet Sir Geoffrey shortly, reaffirmed that it would be urging a cut in personal and business taxes in next year's Budget.

Sir Terence, whose organization has been calling for a modest reflationary package, made it clear that employers will maintain their campaign for a cut in the NIS surcharge and reductions in other business costs.

Apart from the additional burden caused by the banding changes on National Insurance contributions, the CBI leader

### RATIOS OF PUBLIC EXPENDITURE TO GDP AT MARKET PRICES



public sector housing, the industry believed Sir Geoffrey could have gone further by restoring some of the cuts made in public sector housing investment over the past two years.

The Association of British Chambers of Commerce said pressure for higher wage increases would be one of the main consequences of the economic package.

The association said employees would be bound to want to claw back what they would lose through paying higher National Insurance.

"There is a serious mismatch between the stated objectives of the Government and the actual policies they are pursuing," the association said in a statement.

□ The Stock Market continued to improve following the details of the package with the FT Index closing 0.2 up at 531.0, after being 3.7 down earlier in the day.

### Stock Markets

FT Index 531.0 up 0.2  
FT 100 64.30 up 0.24  
FT all share 312.57 up 0.99  
Bargains 16,530

### Sterling

\$ 1.9530 up 55 points  
Index 91.8 unchanged  
New York: \$1.9505

### Dollar

Index 105.5 down 0.2  
DM 2.2170 down 42 pts

### Gold

\$409.75 up \$7.25  
New York: \$423.75

### Money

3 mth sterling 15 1/4-15 1/2  
3 mth Euro \$ 12 1/4-12 1/2  
6 mth Euro \$ 13 1/4-13

### PRICE CHANGES

Rises	Falls
Barratt Devs 10p to 265p	Ashted 5p to 235p
Can Ovens Pack 15p to 215p	Bakeridge Brick 4p to 60p
Ind China Clay 7p to 125p	Blackwell Lodge 2p to 175p
Red Land 6p to 142p	Brown J. 15p to 175p
GEK 10p to 142p	Burt Bates 15p to 175p
LEAM 8p to 47 1/2p	Castlefield 10p to 280p
NEAL Elect 7p to 42 1/2p	Harrison Cros 13p to 137 1/2p
RHM 5p to 66 1/2p	Kodak Inst 4p to 120p
Bangers 2p to 39p	Kodak Inst 4p to 120p
Smiths Ind 7p to 450p	Paul & White 4p to 175p
Thorn EMI 12p to 328p	Pekin Watford 10p to 345p
Trust Secs 10p to 46 1/2p	Pilkington Bros 18p to 280p
Union Discount 7p to 157p	Ranger Oil 15p to 230p
Yosper 5p to 108p	Scammell Mars 5p to 230p
Ward & Gold 5p to 165p	Trade Indemnity 5p to 165p

### Helicopters for Nigeria

Westland Navy Lynx helicopters have been ordered by the Nigerian Navy in a deal worth £17m. Nigerian pilots and engineers will be trained in Britain by Westland, which will supply a wide range of training aids for use in Nigeria.

At Birmingham, organizers of the Interbuild Exhibition, believe 24 delegates from the Middle East and Africa have a shopping list which could be as large as £2,000m. The delegates—from Saudi Arabia, Nigeria, Algeria and Cameroon—want building and construction materials, products, equipment and services.

### TODAY

Post Office launches electronic mail services. Mr Jack Bruce-Gardner, Minister of State at the Treasury, delivers opening speech at conference on Long-Term Economic Cycles: Their Causes and Consequences, organized by the Institute of Measurement and Control, London. Lecture on Electronics and the Future of Money, the Institution of Electrical Engineers, London. Business start-up conference arranged by the Industrial and Commercial Finance Corporation, London.

Company results: Royal Bank of Scotland (Finals); GEC and Plessey (half-yearly); BP and Morgan Crucible (9 months).

The British Institute of Management is to move part of its headquarters from London to Corby, Northamptonshire. Several hundred jobs are expected to be created.

### BUSINESS BRIEFING

#### Reserves up £75m

Britain's official reserves of gold and foreign currencies rose by \$147m (£75m) last month, the first increase since February. At the end of November, they stood at \$23,463m (£11,971m).

Repayments of public sector borrowing under the exchange control scheme amounted to \$107m, giving an underlying increase in the reserves of \$24m. Though an imperfect guide to the direction and extent of official intervention in foreign exchange markets, the underlying increase implies that the Bank of England was on balance selling pounds for foreign exchange last month.

This action may have been taken not only to smooth the rise in the pound, which jumped by more than 5 per cent from \$1.85 to \$1.9550 last month, but also to inject liquidity into exceptionally tight domestic money markets.

Table, page 19

#### Lloyd's calls first by-election

The ruling committee of Lloyd's, the London insurance market decided yesterday to call its first ever by-election to elect a committee member.

The vacancy was caused by the sudden resignation last week of Mr Robert Kiln, one of the most senior members. Nominations must be in by December 23 and the election will be on January 15. So far, only Mr Ian Fosgate, the Lloyd's underwriter, has said he will stand.

□ NCC Energy's bid to obtain control of Simplicity Patterns has led to its agreeing conditionally to buy another 631,000 shares in the American company at \$10.75 (£5.50) a share. This brings NCC's holding to 2,750,000 shares, just above 20 per cent.

□ Barclays Bank of New York is to buy Bankers Trust Company of Hudson Valley, New York State, which has 25 branches.

#### Pilkington profits drop

Pilkington Brothers, the glass group, revealed yesterday a fall in pretax profits to £22.9m from £35m in the six months to September. This disguised greater losses from its British operations which amounted to £30.7m. Redundancy costs for 1,200 employees took £15m of the losses but improved trading is expected in the full year. A startling performance was again turned in by Pilkington's overseas companies whose profits rose £14m to £34m.

Financial Editor, page 17

□ Applications for shares in Computer and System Engineering totalling more than 34,000 and the issue was nearly 30 times oversubscribed. At the issue price of 225p, the 71 million shares, on offer will raise £15m for the group, which forecasts profits of £12m in the year to December.

### ECONOMIC PROSPECTS FOR 1982

Percentage change	1980 1981	1981 1982
A Output and expenditure at constant 1978 prices		
Gross domestic product (at factor cost)	-2	1
Consumers' expenditure	0	0
General government expenditure on consumption	-3	2
Other fixed investment	-23	2
Export of goods and services	-5	2
Change in rate of stockpiling	-3	2
Imports of goods and services	-4	2
B Balance of payments on current account	6	3
Percentage changes		
4th quarter 4th quarter		
1980 to 1981		
4th quarter 4th quarter		
1981 to 1982		
C Retail prices	12	10
Index		
Source: The Treasury		

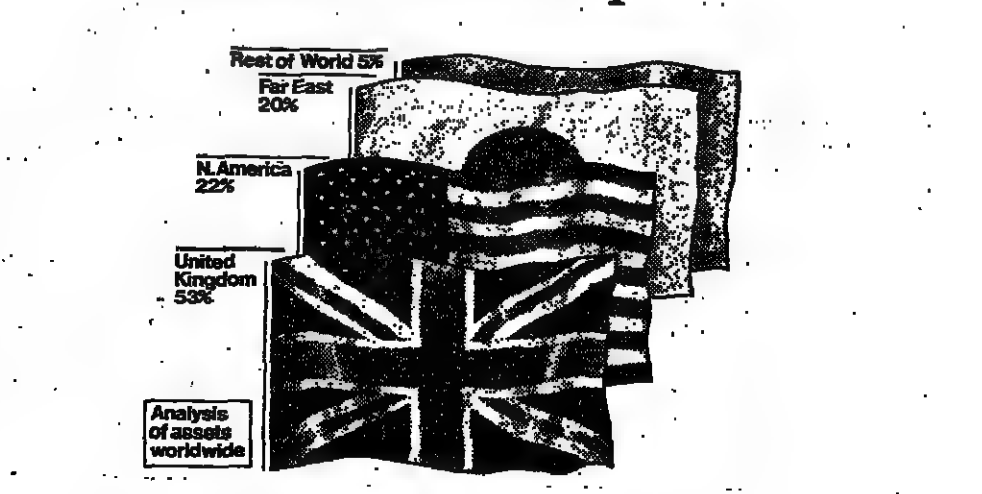
□ Ferranti announced better-than-expected first half profits of £9.4m yesterday—analysts had been expecting a rise from last year's £6.4m to around £8m. The shares gained 5p to 590p on the announcement. Ferranti is raising its half-time dividend by 20 per cent to 4.25p gross.

Financial Editor, page 17

□ European Economic Community loans worth £65.6m were announced yesterday for improvements in telecommunications and water supply schemes in parts of Britain suffering especially high unemployment and development problems.

□ Members of the National Union of Hosiery and Knitwear Workers are to vote on a 5 per cent pay offer. More than 50,000 workers in Leicestershire, Derbyshire and Nottinghamshire are affected.

### The Border & Southern Stockholders Trust p.l.c.



"A well spread portfolio which combines short term stability with long term growth"

C.A. McIntock—Chairman

During the year to 30th September 1981, total resources rose to £109m and earnings per share to 2.94p, both records for Border & Southern.

At 2.75p, the annual dividend has been increased for the eighth year and continues to outperform the Retail Price Index over the last ten years.

To obtain a copy of Border & Southern's Annual Report and Accounts please contact:

John Govett & Co. Limited  
Management Group  
Winchester House, 77 London Wall, London EC2N 1DH. Tel: 01-588 6620.



## IN BRIEF

## Eleven new charges at Paribas

Eleven more French clients of Banque de Paris et des Pays-Bas (Paribas) have been charged with contravening foreign exchange control regulations, it was announced yesterday.

This brings the total to 21 out of 55 clients singled out by the French Government last month as having illegally transferred at least £1m (about \$2,550) each to Switzerland.

The Government has also filed suit against Paribas, charging that the bank's management helped its clients illegally to transfer a total of £180m.

Five Paribas officials, including former President Pierre Moussa, were also charged last month.

## Belgian jobless

Belgian unemployment stabilized at 9.9 per cent at the end of November, unchanged from the post-war record established at mid-month. The jobless total remained at 412,900, unchanged from November 15.

## Trademark ruling

The EEC Commission has ruled that a company which holds a large share of the European market might be violating its competition rules if it registers the same trademark as a competitor.

## Machine-tool plan

A broad outline of a new three-year plan to rescue France's ailing machine-tool sector was presented at Wednesday's French Cabinet meeting by M. Pierre Dreyfus, the Industry Minister. It is designed to restructure the industry and its main suppliers of components, and to launch a programme of technological innovation.

## Highland venture

Highland Venture Capital, an investment fund backed by public and private sector money, yesterday announced its first project — a £75,000 investment in integrated meat-processing development, Cairn of Cathness, in return for 35 per cent of Cairn's issued shares.

## Power consumption

French electricity consumption in October totalled 22,000 million kilowatt hours, an increase of 3.8 per cent on the same month last year after adjustment for the number of working days, the state-run Power Utility Electricite de France said yesterday.

## French car output

Labour action at car plants owned by the Renault and Peugeot car groups was partly responsible for the 12.1 per cent drop in car production to 242,123 units in France in October, compared with the same 1980 period, the manufacturers' association said.

## Energy saving bid

French government aid to industrial energy savings and substitution will double to about £2,000m (£153m) in 1982 from £1,000m this year. It will be in the form of long-term loans with interest rates of between 12.75 per cent and 13.75 per cent.

## Taiwan tariff talks

Taiwan and the United States will hold negotiations on tariff concessions next week. The Americans are expected to ask for lower tariffs on 48 categories of products and will offer concessions on about 200.

## Base Lending Rates

ABN Bank	15 %
Barclays	15 %
BCCI	15 %
Consolidated Crd.	15 %
C. Hoare & Co.	15 %
Lloyds Bank	15 %
Midland Bank	15 %
Nat Westminster	15 %
TSB	15 %
Williams and Glyn's	15 %

\* 7 day deposit on sums of £10,000 and under 12% up to £50,000 12.75% over

## State ship chief hits at lack of naval support

By Peter Hill, Industrial Editor

Lack of Government support for British shipbuilders' warship building operations, and of a comprehensive European maritime policy, threatens to undermine the corporation's progress towards profitability, the Government was warned yesterday.

The warning was given by Mr Robert Atkinson, the corporation chairman, before the Parliamentary select committee on industry and trade.

Mr Atkinson's criticisms were made after he had told the committee that the corporation plans to break even financially in 1983-84 and the next year may be able to make a repayment to the Government on its £346m public dividend capital.

British Shipbuilders lost £41m last year after intervention fund assistance from the Government.

Mr Atkinson said the corporation's progress towards profitability is threatened by the Government's failure to make a repayment to the Government on its £346m public dividend capital.

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The loss next year is forecast to be cut to £10m after intervention fund payments, working within a Government external finance limit of £125m, compared with this year's £150m.

If assumptions made for the corporation's latest corporate plan are correct, a break-even point, of even a slight profit, was in prospect.

## Royal Bank again pushes Standard Chartered bid

By Peter Wilson-Smith

Royal Bank of Scotland has made a further attempt to sway public opinion against the bid it has received from Hongkong and Shanghai Banking Corporation and in favour of the rival offer from Standard Chartered.

It has made public more of the views it has already expressed to the Monopolies Commission, arguing that a merger with Standard Chartered would enhance the service it could offer to Scottish customers but a takeover by Hongkong Bank could distort or limit its ability to offer an international service.

Royal Bank's latest public statement covering the Scottish issues raised by the two bids, and seeking to ally Scottish fears about loss of indepen-

## Frequent job changes Chequered path for a business graduate

By Bob Crew

Most business graduates change jobs frequently after obtaining their qualification. According to a survey from the executive search consultant Egon Zehnder, in association with the Business Graduates Association, 68 per cent of all Masters of Business Administration (MBA) have changed their job at least once since they graduated, and almost 60 per cent have changed it twice or more. This may explain why so few of them are sponsored in their studies by their companies.

The survey shows that, of the 705 graduates questioned, no fewer than 44 per cent themselves found the £15,500 to £4,000 year required to get them through a masters course. Another 35 per cent were sponsored by the government, and only 18 per cent by employers.

But 67 per cent of the graduates questioned considered that gaining an MBA was a valuable way of obtaining career advancement, and 61 per cent thought that it was valuable to their company. However, although only 24 per cent said they were actively seeking new employment, many indicated that they had moved in the past because of lack of opportunities with their existing employers.

Nineteen per cent said they moved because they wanted increased responsibility, and 20 per cent said it was because they were dissatisfied with their employer.

Although business graduates are badly paid by comparison with their United

States counterparts, very few said that salary was an important factor in changing jobs. According to the survey, 48 per cent of MBAs in Britain earn less than £16,000 a year and almost 70 per cent earn less than £20,000. By comparison new MBAs in the United States, even those with no previous business experience, earn upwards of \$24,000 a year. Last year the average starting salary for the top-paid batch of Stanford MBAs was \$52,000.

These findings lead weight to the impressions of other United Kingdom executive search consultants. Mr Dermot Hoare, of Euro-survey, says that an MBA on its own has little value other than letters after one's name, unless it is combined with at least five to six years' convincing work experience.

"The problem is that the companies that sponsor executives at business school while they are getting their MBAs rarely recognise that they are any different, or worth of salary increases when they return."

Mr Hoare says that companies abroad, particularly in Western Europe, are interested in employing British MBAs. But the lack of languages must be a handicap. Of the 705 in the Egon Zehnder sample, only 286 had one or more languages, and by far the majority of those (34 per cent) spoke French. Only 12 per cent were fluent in German, only 3 per cent in Spanish, and only 2 per cent in Italian.

## The deadly cost of North Sea oil

By Rupert Morris

The North Sea is seen as Britain's chief hope of economic recovery, the one bright spot in the clouds of recession.

There are also times, such as the middle of last week, when we receive a very different image, and are reminded of the words of the hymn "For Those in Peril On The Sea."

When the Transworld 58 was drifting out of control in the Argyll field with 20 men on board, it brought back memories of the Alexander Kelland disaster which claimed 123 lives.

And as the inquests begin into why the three anchor chains of the Transworld 58 broke, safety in the North Sea will once again be a live topic. But after a while those involved in oil exploration will put human life to the back of their minds and become preoccupied once more with economic health and safety.

The fact that more than 100 divers and offshore workers have died in the North Sea will be relegated to the status of an outdated statistic — until the next disaster.

In broad terms, that is the thesis of Kit Carson, senior lecturer in criminal law at the University of Edinburgh, whose book *The Other Face of Britain's Oil* is published today.

He says the conflict between the pursuit of mineral riches and the need for safety has resulted in the nation paying an "inordinately high" price for its oil in terms of deaths and injuries.

It is, inevitably, a highly political argument, and will be seen by its opponents as a reaffirmation of the Labour opposition's stance of a year ago which centred on the belief that the Health and Safety Executive (HSE) should have sole responsibility for safety in the North Sea, independent of the Department of Energy.

The House of Commons rejected Labour amendment by 99 votes to 60, and voted to take note of the Burgoyne Report with its 62 recommendations and numerous areas of disagreement.

The two main consequences of the Burgoyne Report — set up by the previous Government to explore North Sea safety regulations — have been the introduction in July of new diving regulations and a redefinition of roles between the Department of Energy and the HSE.

The new diving rules insist that divers have certificates of training and fitness, that equipment is thoroughly tested and that a diving contractor is clearly identified as the responsible employer.

Mr Carson was quick to



On the rocks: The Norwegian oil rig Origo aground off the coast of Guernsey. The crew were air-lifted to safety.

On location at Thistle. The boat heaves a lot. There are congeals all over. Poor top-side management. Guys here are nuts (ungood nuts) and dear God I want out. I have really got to scare up another job after this one. I'm no longer impressed. They have made no effort to get out gear from the X to dive first. Not impressed. Too many Brits/political hassles. It just leaves my stomach twitching. Oh God please help me to exercise my talent and will to pull out of it. I don't even know if I'm going to get out of here alive. I never know. — This is the entry made by Richard Walker in his diary hours before his death in August 1979.

agreed this week that safety standards had improved since his book was written. Indeed he admits in the book that many loopholes have been closed in the past few years. An area that remains, however, is the relationship between the Energy Department and the HSE.

As Mr Gray, the Energy Minister, told the Commons: "It hardly sounds an ideal year ago, there was 'dis-metric opposition' between members of the Burgoyne Committee on which body should play the leading role. The present position, which Mr Carson describes

as "the usual compromise" is that the petroleum engineering division of the Department of Energy is responsible for most inspections of installations, answerable to the management committee of the HSE, which reviews relevant legislation, while coming under the ultimate control of the Secretary of State for Energy.

Although he is scathing

about the Department of Energy's ability to understand Scottish law, Mr Carson's main worry is that the agency that is responsible for production is also responsible for safety. The two goals are fundamentally contradictory, he argues.

He is a keen advocate of safety representatives and committees as provided for in the Health and Safety at Work Act. On Tuesday the Energy Minister said that this provision was being introduced in the North Sea.

One of Mr Carson's most convincing points concerns what he calls "institutionalized tolerance" — in many cases the turning of a blind eye. He cites instances of inspectors making the same criticisms of slippery floors and open stairs year after year without action being taken.

He also points out that spot checks are precluded, with the result that while everything can be got shipshape for an inspector, this is no guarantee of standards being maintained.

In arguing for more specific regulations on procedures on board rigs, and in handling of equipment, Mr Carson catalogues numerous instances of simple negligence, which have led to serious accidents.

The small number of prosecutions and absurdly low penalties — fines of between £25 and £400 are most frequent — persuade companies of the urgency of monitoring safety standards. Indeed a cynical employer might feel it worth risking such a small fine rather than spend time and money on safety checks.

Mr Carson's statistics comparing North Sea deaths with deaths in quarries, mines and building show the North Sea to have been twice as dangerous during the 1970s. But other industry sources would dispute those figures, and recent evidence is by no means so convincing.

The point about mundane mistakes is chillingly made in an extract from the diary of Richard Walker, a diver killed in an accident in August 1979, which is still being investigated. The entry was made hours before his death.

Among the apparent causes of the deaths of Richard Walker and his mate were first the breaking of a pin attaching the diving bell to a lifting wire, and secondly the failure of an umbilical cord, packed together with rubber tyres and adhesive tape as Mr Carson comments, "scarcely the inevitable contingencies to be expected at the very frontiers of knowledge."

*The Other Price of Britain's Oil* by W. G. Carson, Published by Martin Robertson and Co. Ltd. Price: hardback £15, paperback £5.95.

## US bank staff 'afraid' to join union

By David Felton

The Banking, Insurance and Finance Union last night claimed that its attempts to recruit members in American banks in this country were being blocked because bank workers were 'afraid' of victimization by their employers.

The union, the main one affiliated to the TUC in the banking and finance industry, said that a meeting it held in the City on Tuesday night as a first step in the recruitment campaign was attended by only 80 people.

Mr Leif Mills, BIFU general secretary, said: "The meeting was so poorly attended because of the fear of bank workers of victimization by their American employers. It is absolutely scandalous we know it happens in the United States, but after all this is Britain."

Union officials claimed that they had received telephone calls from many bank workers who had wanted to attend the meeting, but were afraid to do so because they claimed, the banks had threatened victimization. As a result, a small number of workers who had wanted to attend the meeting held a separate private meeting in BIFU's London office.

The union, which is preparing for a long and tough campaign in its attempt to recruit 1,000 employees of the 77 US banks operating in this country, mainly in the City, yesterday declared its determination to pursue the campaign and will hold a series of further private meetings next month.

The union is concerned that the growing influence of American banks in "in store" banking and their moves to introduce new technology into the industry could have a wider effect on their membership in British banks.

BIFU officials, who claim that in America bank employees are treated with "fear, hostility and suspicion", believe that they face a long battle to get recognition for the union in US banks in this country.

Mr Steve Gamble, BIFU's assistant secretary for international banks, said that bank workers in the United States were regarded as poor relations.

He said that the union would attempt through recognition to press for the introduction of a 28-hour week and would demand a unified salary structure. This would raise salaries to those already paid in most of the international banks in London where BIFU has members.

## Background to Chancellor's statement

## One per cent economic growth forecast for 1982

By Melvyn Westlake

The economy is expected by the Government to grow by 1 per cent next year after two years of decline, according to the Treasury forecasts, published yesterday. But this will still leave the output of goods and services at its lowest level since 1977.

Consumers are not expected to increase their spending during the year. The main areas of demand in the economy are expected to come from the rebuilding of companies' stocks and increases in exports and investment.

The run-down in stocks during the past two years has been the main engine of recession, and a reversal of this position provides a short-term stimulus to output as manufacturers and distributors place orders for materials, components and finished goods.

The Treasury also appears to expect a real increase of 2½ per cent in capital spending by private and public producers. This follows a fall of a similar order in the current year.

Against this, the Government will spend less on capital projects in schools and hospitals. The fall, here, of 5 per cent is, however, much less than the dramatic 21½ per cent drop in such capital spending this year.

Exports are seen as rising by about 2½ per cent in real terms next year, but imports are projected to rise much faster — by 8½ per cent.

## CONSTANT PRICE FORECASTS OF EXPENDITURE, IMPORTS AND GROSS DOMESTIC PRODUCT

£billion at 1975 prices, seasonally adjusted

	Government expenditure	Final consumption	Fixed investment	Total	Other fixed investment	Exports of goods and services	Change in stocks	Total expenditure	Less imports of goods and services	Final statistical	GDP at 1975 prices	GDP index 1975 = 100
1979	71,400	25,600	5,300	27,800	17,300	35,050	1,300	150,200	35,300	114,900	109.9	
1980	71,400	24,400	2,900	27,400	17,500	33,300	-2,000	146,000	34,100	111,900	107.9	
1981	71,600	24,400	2,300	26,700	17,400	31,400	-2,300	146,500	32,700	113,800	109.2	
1982	71,700	24,500	2,300	26,700	17,500	32,200	300	148,200	35,600	112,600	108.4	
1980 First half	35,800	12,100	1,200	13,700	9,000	16,500	-300	73,000	17,800	55,200	106.8	
Second half	35,600	12,300	1,400	13,700	8,500	16,800	-1,500	73,000	18,300	54,700	106.2	
1981 First half	35,900	12,200	1,200	13,400	8,300	15,700	-1,200	71,700	17,000	54,700	105.0	
Second half	35,700	12,300	1,100	13,300	8,200	15,700	-300	71,800	17,000	54,800	105.3	
1982 First half	35,800	12,200	1,100	13,300	8,200	15,900	100	74,100	17,600	56,500	105.1	
Second half	35,900	12,300	1,100	13,400	8,300	16,300	200	74,600	17,900	56,700	105.7	
Annual percentage changes												
1979 to 1980	0	-5	-42	-1	-14	-5	-2	-2	-8	-2	-2	
1980 to 1981	0	0	-21	-2	-24	-5	-2	-2	-3	-2	-2	
1981 to 1982	0	4	-5	0	24	26	34	24	8	24	1	

Notes: 1. GDP figures in the table are based on "comprehensive" estimates of gross domestic product.  
2. Figures in £ billion are rounded to 500 million. Percentage changes are calculated from rounded levels and then rounded to 1 per cent. The GDP index in the final column is calculated from rounded numbers.  
3. Data on exports and imports for the first half of 1981 are based on very partial information.

## PUBLIC EXPENDITURE PLANS BY DEPARTMENT

	1981-82 White Paper £m	1982-83 White Paper £m	1982-83 Revised Programme £m	1981-82 White Paper £m	1982-83 White Paper £m	1982-83 Revised Programme £m
1. Departments (excluding nationalised industries external finance)						
Ministry of Defence	12270	13824	14103			
Foreign & Commonwealth Office (including Overseas Development Administration)	1556	1575	1585			
European Community	480	501	587			
Intervention Board for Agricultural Produce	530	593	684			
Ministry of Agriculture, Fisheries and Food	262	278	1031			
Forestry Commission	59	62	62			
Department of Industry	1970	1480	1393			
Department of Energy	354	385	387			
Department of Trade	287	302	292			
Exports Credits Guarantee Department	4	88	115			
Department of Employment	2320	1911	2688			
Department of Transport	2880	3036	3166			
DOE — Housing	4125	3858	3871			
DOE — Property Services Agency	439	453	444			
DOE — other environment services				3546	3669	3661
Home Office				3263	3529	363
Department of Education & Science				11315	11667	12218
Office of Arts & Libraries				475	500	532
DHSS — Health				10793	11613	11650
DHSS — Personal Social Services				1657	1788	1970
DHSS — Social Security				27575	30197	29900
Scotland				6621	5855	5956
Wales				2240	2326	2375
Northern Ireland				3223	3419	3510
Other Departments				2907	3111	3121
Nationalised industries' total external finance (rounded)				2924	1470	2770
3. Total programmes (rounded)				103,750	107,980	111,670
4. Contingency reserves				2500		2850
5. Special sales of assets				-230	-180	say 3,300
6. General allowance for underspend				-1000	-700	
7. Planning total (rounded)				105,000	110,000	say 115,000

Spending figures for all main government departments. Figures are in cash and compare latest plans for 1982-3 with those published in the Budget White Paper.

## M. J. H. Nightingale &amp; Co. Limited

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## The Over-the-Counter Market

1980/81	Company	Price	Chg	Gross Yld	P/E	Dividend
High Low				(p)	Actual	Taxable
115 100	ABI Hldgs 10% CULS	115	-	10.0	8.7	-
76 30	Airsprung Group	66	-	4.7	7.1	10.5
52 21	Armitage & Rhodes	43	-	4.3	10.0	3.5
200 92	Barclay Hill	190	-	9.7	5.1	9.2
104 68	Deborah Services	91	-	5.5	6.0	4.5
115 89	Frank Horsell	120	-	6.4	5.3	10.8
120 39	Frederick Parker	60	-	1.7	2.8	26.1
110 46	George Blair	100	-	7.3	7.3	7.2
103 59	JPC	100	-	7.3	7.3	7.2
112 93	Jackson Group	97	-	7.0	7.2	3.1
130 103	James Burrough	109	-	8.7	8.0	8.0
334 204	Robert Jenkins	268	-	31.3	11.7	3.7
59 73	Scruttons "A"	53	-	5.3	10.0	8.2
224 173	Torday Limited	173	-	15.1	8.7	6.7
23 8	Twinkl Ord	13	-	-	-	-
90 68	Twinkl 15% ULS	75	-	15.0	20.8	-
33 23	Unilock Holdings	39	-	3.0	9.4	9.7
73 79	Waller Alexander	79	-	6.4	5.1	5.2
53 181	W. S. Yeates	214	-	13.1	6.1	4.1



US bank  
staff  
afraid to  
join union

BY THE FINANCIAL EDITOR

# The Chancellor's room for manoeuvre

## Economic notebook Does cheaper labour mean more jobs?

Advance speculation on the Chancellor's statement yesterday had been so widespread and, by and large, well-informed that the statement itself barely raised a flutter in financial markets. He that as it may be the preliminary figures on public spending projections for 1982/83 are not without interest. The global planning total of £115,000m is much as expected. Of more interest is the total programme spending figure of £111,700m, leaving a large £3,300m buffer to cover contingency reserve less special asset sales and general allowance for underspend. Mr Leon Britton, Chief Secretary to the Treasury, declined to categorise the figure further yesterday, but the bullish interpretation must be that Treasury ministers have not only managed to keep a tighter rein on spending departments than they dared hope but also carved out some worthwhile leeway for tax cuts next spring.

### Ferranti Expanding away from defence

Ferranti's 47 per cent increase in first half pretax profits to £9.4m easily bettered market expectations. Interest charges of £200,000, against £1.7m for the corresponding period last year confounded analysts' sums. Ferranti gives warning that borrowings in the second half will be higher than in the first, but the full year pretax profits figure now looks likely to come out at around £23.5m, against last year's £20.7m.

While Ferranti remains vulnerable to cutbacks in government defence spending, a slowdown in that spending need not be especially damaging. In the important Tornado project, for example, it would probably do no more than smooth out the production peaks coming in the next two years. More importantly, Ferranti is having some success in striking out from a dependence on British Government contracts. Snappier marketing is bringing it more foreign business. Exports now account for 30 per cent of sales, and its expanding presence in the United States is bringing useful new expertise in non-military uses for semiconductors.

It is on the success of this geographic and product diversification that Ferranti's long-term future turns. While its order book remains healthy and with contracts in hand, the medium-term is assured. But a p/e of over 20 and a yield of 1.6 per cent is a demanding rating unless substantial areas of new growth are found by the mid-'80s.

### John Brown The call for an inquiry

Whenever someone suddenly loses money in the stock market — yesterday holders of John Brown saw their shares slump 16p to 63p — there is an outcry for a stock exchange inquiry. So it was yesterday when John Brown had to admit that prospects now look much worse than they did a few weeks ago. Then it called on shareholders for £24m through a one for three rights issue at 76p. In September the pre-announcement price was 92p, and the ex-rights price 88p.

In July the group had reported a fall in pretax profits from £21.1m to £14.2m. At the time of the rights issue there was no profit forecast but a maintained dividend was promised. Now trade reports of a bottoming out in machine tool business have been directly contradicted by official word that trade overall has worsened, quite apart from a collapse in machine tool business accentuated by management shortcomings. In January shareholders will get an interim report; but already Mr John Mayhew-Sanders, chairman, expects the year's profits to be down.

The latest news is a blow to Mr Mayhew-Sanders who had made a name for himself in the City as a man who had got a grip on Brown. It is a blow too, for those who arranged and underwrote the rights issue. It is right to have a stock exchange probe into anything that smacks of inside information, but such a probe will have no lasting value unless it looks into the whole question of companies raising money through rights issues on the scantiest forward projections. This sort of money raising is still largely a matter of faith. Rights issues should be treated like any other money raising. Investing "blind" has nothing to commend it.

No minister, especially in these seasonal times, likes to play Scrooge when he can claim that his apparent meanness is really a concern for the welfare of those in his charge. So it was that Treasury hawks, pressing for a savage cut in the real value of social security benefits, argued that this was not simply to economize on public spending. Exerting downward pressure on the level of real wages in the economy would also help workers "to price themselves into jobs".

The basis for their belief lies in the seemingly obvious proposition that the more is charged for something the less will be bought. So if the cost of employing people falls, companies will, it is argued, take on more workers. The Government has embraced this proposition with vigour. In his Mansion House speech in October, the Chancellor, speaking of obstacles to enterprise and wealth creation, told his audience: "There is still much to be done, perhaps most of all in the labour market. We have to encourage people, by encouraging them to be sensible about pay, to bring the price of their labour down to the level at which it can once again be fruitfully employed."

The spearhead of the Government's attack on real wages is its campaign, aided by high and rising unemployment and tough public sector cash limits, to talk down the level of pay settlements to well below the inflation rate. But the proposals for trade union reform, cuts in the real value of unemployment benefit, and the Young Workers Scheme (brainchild of Professor Alan Walters, Mrs Thatcher's economic adviser) which will subsidize jobs for young people paid less than £4.5 a week, are all weapons in its armoury.

Professor Patrick Minford of Liverpool University, an enthusiastic proponent of monetarist ideology with some sympathies in Whitehall, claims in his latest quarterly economic bulletin that union reform alone would unleash the mechanism "to price hundreds of thousands of young people and long-term unemployed into work".

### Spending

These projections are, not surprisingly, viewed with incredulity by opponents of the Government's economic strategy. While conceding that cheaper labour might lead companies to employ a few more workers rather than, say, invest in labour saving equipment, they argue that cuts in real wages could lead to more unemployment by reducing demand in the economy through a reduction in consumer spending.

In the short term this would almost certainly outweigh the beneficial but delayed impact on demand of improved international competitiveness, resulting in more exports and fewer imports. The consequence could be a deflationary spiral, plunging the economy into ever-deeper recession.

The National Institute for Economic and Social Research, in its *Economic Review* published last week, reviewed the argument that workers have priced themselves out of jobs as a "grossly-misleading simplification", and placed the blame for unemployment squarely on lack of effective demand in the economy.

It was, however, prepared to concede another argument of the "cut real wages" school, that the share of profits in national output has been squeezed unduly, though in part because of the rising exchange rate as well as wage pressures. An increase in the profit share could lead to higher employment by stimulating investment. Even if cuts in real wages were thought to have some impact in creating jobs, there would be severe social and political problems in implementing such a policy.

Cuts in real wages at the bottom end of the income scale, and especially cuts in social security support, would condemn families to extreme privation. To do this as a deliberate policy, commends itself only to the driest of Tory hawks.

### Standards

Another difficulty, pointed out by the National Institute, is the distinction between what is happening to workers' living standards (real wages after tax) and to employers' labour costs (which reflect before-tax pay plus employers' national insurance contributions and the surcharge). Over the past 20 years after-tax real wages have risen just over one-third; employers' labour costs have risen by two-thirds.

Unless the Government is prepared to lift the national insurance burden on employers, falling living standards will be necessary to price even a proportion of the three million unemployed into jobs.

What is the alternative? Most economists agree that brighter job prospects ultimately depend on a reduction in real wages per unit of output to boost competitiveness and profitability. The Government wants to tackle this problem by assuming that output is fixed (because it is not prepared to reflate the economy). So the whole burden of adjustment has to fall on real wages.

The Government's adversaries, on the other hand, want to tackle the problem from the output end. If output is allowed to increase, they argue, then real wages need not fall, or not fall so much, to achieve the same objective. In practice, real wage cuts may be unavoidable in the short term. Bringing down the rate of inflation invariably means curbing the demand in money wages. So wages will tend to fall behind the inflation rate until the rate itself comes down. In addition, retrieving the huge loss of competitiveness over the past three years or so caused by rapid inflation and the rising exchange rate necessitates some further fall in the value of sterling as well as low increases in domestic labour costs.

The point is that in the longer term, economic growth can sustain both rising real wages and falling unemployment. But growth is unlikely to materialize if real wages are depressed without other expansionary measures. If it does not, the sacrifice of living standards will all have been in vain.

Frances Williams



Tin dealing on the London Metal Exchange yesterday: keeping an eye on the mystery buyer.

# Why the price of tin is rocketing

London's tin market is going through probably the most dramatic period in its history. Persistent, clever, and above all mysterious buying since July has forced up the three-months tin price from £6,732.50 a tonne to £8,117.50 yesterday.

To complicate matters, last Thursday the buyers unexpectedly changed tactics and in a move which threw the market into disarray, began buying tin for cash. In what many traders admit was a brilliantly executed move, the purchasers offered sufficiently high prices for cash tin to persuade holders of three-months contracts to sell.

As a result, the forward price of tin fell below that of cash metal, creating what the market calls a backwardation. Forward prices are normally higher than cash ones, reflecting the extra cost of storing and insuring tin for future delivery. The normal difference between cash and forward is a contango. But yesterday cash tin was £8,355 a tonne, in these circumstances traders are wary.

Theories about who is behind the buying and their motives abound. For most of the past five months it has been assumed that the operation was organized by tin producers, led by Malaysia. More recently, however, doubts have crept in and some traders have picked up rumours that independent purchasers are involved. Such reports have inevitably brought back memories of Mr Nelson Bunker Hunt's foray into silver two years ago.

These fears, combined with sharp daily market movements of £200 or £300 a tonne, have caused some

commodity traders to advise their clients to stay out of tin. A smaller but vociferous group has expressed surprise that the London Metal Exchange authorities have not intervened. But the hard facts to date are insufficient, in the view of several members of the LME Committee, to justify intervention. Mr John Etherington, chairman of MacLaine Watson, a London metal trading firm, which is part of the American Drexel Burnham Lambert group, has admitted that his organization has acted as a principal in the market, but has resolutely defended his client's anonymity. It is also known that another trader, Commercial Metals, a subsidiary of Mocoeta and Goldsmith, the precious metals dealers, has been in the market.

MacLaine Watson has close associations with a private metals dealer Marc Rich which is incorporated in Switzerland but has offices in New York. One important clue is that Marc Rich is the official American selling agent for the Malaysian Mining Corporation, the world's biggest tin mining company. It is effectively controlled by the Malaysian Government after a merger earlier this year with Malaysian Tin Dredging. Marc Rich declined to enlarge on its market transactions.

Certainly, there is little doubt that if the ancient test of *qui bono?* (who gains?) is applied, the tin producers are the chief beneficiaries of the market's rise. Demand for tin has been falling in the face of the recession and substitution by other materials such as aluminium, plastics and glass.

Not only do the producers have a financial incentive, but they also have a grievance. Between March of last year and October of this, bitter arguments about tin prices racked the International Tin Council. It was only in October that the consumers reluctantly agreed to a 6.85 per cent rise in the price range within which the tin agreement's buffer stock manager is allowed to intervene. But it was after the consumers vetoed an increase at the July ITC meeting that the buying started.

The producers have been further angered by the attitude of the United States, by far the world's biggest tin consumer, which has refused to join the sixth international tin agreement due to come into operation next year. The United States General Services Administration — a government agency which controls strategic stockpiles — has also made itself unpopular by announcing that it is to sell 35,000 tonnes from its 200,000 tonne stocks.

Senior LME sources admit that the situation is delicate. While it is true that the market is dominated by a single buyer or a group of buyers acting together and willing to pay high prices for tin, they have not cornered the market.

The view of LME committee members is that the market may be distorted but it is not disorderly. But other users of the market have stronger views. They feel that a market unsafe for the speculator who provides liquidity in normal times is not orderly.

Michael Prest

### Pilkington Brothers Recession takes a heavy toll

The United Kingdom story from Pilkington Brothers continues to be appalling with the first half loss rising from £4.9m to £30.7m. Admittedly, this takes in £15m for redundancy costs to date, but there will be further cuts and restructuring to come over the next few months. None of the main United Kingdom operations has escaped the recession. Flat glass, which supplies building industry, has been running at only 70 per cent of capacity and fibre glass insulation at just 55 per cent. Safety glass, with its customers spread over the motor industries, has been running at about 60 per cent of required levels.

Pilkington's bastion at the moment continues to be its overseas operations and licensing income. Hence the fall in the group pretax profit has been held to £12m. The overseas companies did surprisingly well, raising profits £14m to £34.6m. Some £9m of this came from first time earnings from Flachglas and the Brazilian subsidiary, but there was improved trading in South Africa and Australia, expected to continue, while the recession had only a modest impact on its Scandinavian and other German operations. Licensing income was up £3m to £20m.

With a high proportionate tax charge, the attributable loss runs out at £9.9m before crediting an extraordinary profit of £16.9m from Canadian sales. In the circumstances caution might have dic-

## Business Diary A licence to stint money?

Roy Hattersley, the Shadow Home Secretary, has rather a good point when he asks why a hotel such as the Savoy should pay the same for its "umbrella" television licence as an old-age pensioner does for his or her set.

The Savoy, with 200 bedrooms and no sets in its public places (although some suites have two) probably has less than 250; the Intercontinental and the Hilton probably have twice that each.

The point Business Diary would like to make is that nobody seems to know how many hotel television sets there are and, therefore, how much could be raised in licence fees from them were they taxed individually.

Having got nowhere with the Home Office, the Department of Trade, the BBC or the British Hotels, Restaurants and Caterers Association, it was with some relief that Business Diary found signs of life at the British Tourist Authority.

The BTA calculates that there are 844,214 beds registered with national tourist boards. This implies about 400,000 rooms of which, they guess, three-quarters have television. Allowing that the hotels do have one licence each, and that some of the sets are likely to be black and white, it seems the extra revenue to be gained by Hattersley's remedy might be £7m which if given in concessions to pensioners and the disabled, would be worth about a pound a head.



### Murray's mint

However hot their institutional frying-pan gets surely not many academics are going to be tempted to jump into Ken Livingstone's at the GLC. But Robin Murray, aged 41, economist at the Institute of Development Studies at Sussex University has signed up. After several weeks delay thanks to Tory manoeuvring he has been formally recruited as the Greater London Council's chief economic adviser.

From February for £25,000 (at least £9,000 more than a university reader gets) he is to advise on how the economic bits of the Labour Party

### Guys and Dolls

Small business does not come much smaller than Pamela Burroughs (left) and her one-woman Toy House Doll's Hospital and Shop. Mrs Burroughs, whose husband is a builder, makes a "slow" living all year round mending dolls and teddy bears at her "hospital" in Carrat Lane, Wandsworth, south-west London.

At this time of the year, however, she is also busy selling spare parts to the women who like to make toys.

Since manufacturers do not seem to make spare parts for dolls these days, she says, Mrs Burroughs relies for many of the arms, legs and eyes she uses either on cannibalising unwanted dolls or upon the considerable stock of bits and pieces she inherited.

This allows her to operate one of the few remaining places where dolls can be mended, but as in many bigger businesses, she finds problems can follow her home.

Her son Mark, aged 12, doesn't like teddy bears but is obliged to share a room with his brother Jamie, aged 9, who has more than 50 of them.

### Power to the people

For the first time, China is to sell shares to utility customers to raise funds for the construction of an electric plant.

Only government-run and cooperative enterprises and farming brigades in the Yantai Prefecture of Shandong Province will be allowed to buy the shares. Shareholders will get their investment back within four to five years plus a monthly interest of 0.42 per cent. The electrical output from the 600,000 kilowatt Longkou power plant will be provided to shareholders in proportion to their investment.

### Kenyan spaghetti

I hear that a new and unlikely-sounding import may be about to enter the already highly competitive British food market — a Kenyan spaghetti.

It is one of the first occasions that a black African country has tried to sell manufactured goods in Europe.

Manji, head of the House of Manji, in London this week talking to potential distributors.

The Nairobi shops are stocked with Western convenience foods, although Kenyans were slow to take to pasta, first introduced to feed Italian prisoners of war taken in Abyssinia.

Says Manji: "For a time, Africans refused to buy spaghetti, until it was discovered that they objected to its appearance which reminded them of tapeworms."

"So it was recoloured a dark yellow and cut in a shorter, thicker shape, since when it has become highly popular."

There should be little chance of anybody nodding off tonight during the lecture the Chase Manhattan economist Geoffrey Maynard is to give in Manchester to the Association of Corporate Treasurers. Since Maynard's subject is "Profits and Employment in United Kingdom Manufacturing Industry", it should be one of the shortest lectures on record.

Ross Davies



## Stock Exchange Prices

### Gilts advance

ACCOUNTANT DATES: Dealings Begin: Nov. 23 Dealings End: Dec. 4 & Contango Day: Dec. 7 Settlement Day: Dec. 14

§ Forward bargains are permitted on two previous days.

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**NOTICE OF PRESELECTION**

The framework of the second development, the Government is considering the preparation of a strategy of public investments in towns, to be carried out in the period of two years, is intended to be the preparation of a system of investments in the inland towns. The conception of the technical administration tools appropriate to these programmes.

The definition and preparatory project of urban development

Selected firms are invited to prepare a dossier for the submission of projects should be addressed to the Ministry of the Construction

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